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Tanks Destroyed in Compliance With CFE Treaty

LD1702223793 Moscow ITAR-TASS World Service in Russian 1800 GMT 17 Feb 93

[By ITAR-TASS freelance correspondent Mikhail Fridman]

[Text] St. Petersburg, 17 Feb (ITAR-TASS)—The destruction of tanks provided for by the Conventional Forces in Europe treaty signed by 22 countries began at the Servicing and Engineering [Remontno-Mekhanicheskiy] Works outside St. Petersburg today. Almost 3,000 tanks are to be destroyed by the Russian Army.

"An important stage in the planned reduction of conventional weapons in Russia has begun," Major General Anatoliy Naumenko, chief of the Armor Maintenance and Supply Directorate of the Main Armored Troops Directorate of the Ministry of Defense of Russia told the ITAR-TASS correspondent. "And although just this one plant is engaged in destroying the tanks, we are to complete the entire volume of this difficult work by October 1995. It will be carried out under the strict control of inspection groups of the treaty's member countries."

The general reported that the first group of 60 vehicles to be destroyed were presented to the foreign inspectors today. After a thorough check, the specialists from six countries gave the "okay" for their destruction. The first group of inspectors was headed by Lieutenant Colonel (George Moolders) of the Royal Army of the Netherlands.

Nuclear Risk Reduction Chief's Briefing on Inspections

MK1702103593 Moscow NEZAVISIMAYA GAZETA in Russian 17 Feb 93 p 1

[Andrey Bayduzhiy report: "Verification of Fulfillment of Treaties Is Reliable. Americans Visit Facilities Every Three Days"]

[Text] Yesterday Lieutenant General Vladimir Medvedev, head of the National Nuclear Risk Reduction Center, briefed journalists on the work of this organization, which comes within the Defense Ministry structure. The center has some 150 staffers and is called upon to exercise verification of the fulfillment of the Soviet-U.S. Treaty on the Elimination of Medium- and Shorter-Range Missiles and the agreement on the limitation of conventional armed forces in Europe. In the five years of the National Nuclear Risk Reduction Center's existence, its experts have carried out some 300 inspections [proverok] on U.S. territory alone, and have in turn received the Americans more than 600 times. This discrepancy in figures is due to the number of facilities subject to inspection under the Treaty on the Elimination of Medium- and Shorter-Range Missiles: 117 in the former USSR and 32 in the United States. The elimination of missiles has taken place at eight Soviet and four U.S. facilities. As Vladimir Medvedev stated, despite the intensive schedule for inspections—various military facilities are visited by American inspectors every two to three days—and the rather tight time scale which stipulates that not more than nine hours must elapse between the time of notification and arrival on site, in the course of fulfillment of the Treaty on the Elimination of Medium- and Shorter-Range Missiles no serious complaints by one side against the other have been recorded. The experience of the Soviet-U.S. treaty is also being utilized in the course of verification of fulfillment of the agreement on the limitation of conventional armed forces in Europe, under which some 500 military facilities in former republics of the Soviet Union and a further 1,500 belonging to other European states are subject to inspections. Thus at the time of the press conference a Spanish delegation was in Wuensdorf verifying the number of armored carriers there as part of the group of Soviet forces in Germany, while in St. Petersburg the Dutch were monitoring the process of destruction of tanks. A group of Russian experts, in turn, were flying to a base in San Francisco under the Treaty on the Elimination of Medium- and Shorter-Range Missiles.

Ukraine Arms Sale Possibly Affects CFE Treaty

MK1702095693 Moscow KOMMERSANT in Russian No 6, 15 Feb 93 p 5

[Article by Igor Sutyagin, Alla Glebova: "No One Has Come to Kharkov Commodity Exchange"]

[Text] On 28 January, weapons worth $2 billion were put up for sale at the Universal Ukrainian-Siberian Exchange (UUSE) in Kharkov. This made the exchange the target of close scrutiny by Russian and foreign correspondents.

On 11 February, another round of trading took place at the UUSE. The exchange's information bulletin contained 65 types of weapons, but no buyers have yet come forward. An investigation carried out by KOMMERSANT-DAILY correspondents throws doubt on the genuineness of the offer. Possibly somebody was making a sincere, but unsuccessful attempt to become a world-class arms merchant. It cannot be ruled out, however, that the Russian secret services are trying to use the UUSE to identify potential intermediaries to engage in illegal arms exports.

According to UUSE deputy director Aleksandr Shlyakhov, correspondents have been plaguing exchange managers with the question: "Whose weapons are they?" Although on 29 January exchange director Yevgeniy Blinkov answered that the firm that had made the offer was "Russian and the goods are in Russia," on 11 February he said he did not know anything about the location of the firm or the weapons. The exchange only records and enters in an information bulletin the offer made by a seller, who remains anonymous and discloses only his telephone number. The exchange places only those clients who meet the arms seller's requirements in

direct contact with him. These requirements include the possession of a license to trade in arms, an end-user certificate, documents specifying the place of unloading, and a letter of guarantee from a first-class bank. The seller shows the client the hardware and the documentation and they jointly decide the question of delivery.

The heightened interest in the UUSE arms deal was caused not only by the unprecedented sum involved, but also by the fact that a whole number of weapons systems listed in the exchange bulletin fall under the limitations specified in the Treaty on Conventional Arms and Armed Forces in Europe (CFE), which was signed in June 1992 by the NATO member states, the East European members of the former Warsaw Pact, Russia, Ukraine, Belarus, Moldova, and three Transcaucasian republics. Of fundamental importance is the question as to when the arms offered for sale were manufactured—before or after the CFE was signed, i.e. whether or not they may be traded.

The treaty imposes limitations on the number of tanks, armored combat vehicles (armored personnel carriers, armored cars, and so forth), artillery systems with calibers of 100 mm and above, and fixed and rotary wing combat aircraft in army service and depots of the signatory states. All excess hardware must be eliminated within 40 months of the treaty's coming into force, and there is certainly no provision allowing the weapons to be sold as a means of eliminating them.

On the contrary, Article VIII of the treaty and the protocols on reduction and reclassification states explicitly: The weapons must be eliminated physically or (within strict and narrow limits) converted so as to be completely unable to function as weapons. It also bans any transfer of weapons outside the area covered by the CFE Treaty, namely Europe from the Atlantic to the Urals. The only "geographic" condition set by the anonymous seller at the UUSE was that the weapons could not be sold to buyers in the Commonwealth of Independent States.

Therefore, not all the weapons up for sale at the exchange may be sold, and in this light the question of their origin becomes especially interesting. There is yet another question: Do these weapons really exist or was this just a feeler put out by somebody wanting to identify potential buyers?

Responding to a question by NEWSWEEK at a press conference on 10 February at the Russian Foreign Ministry press center about the origin of the arms offered at the UUSE, Viktor Glukhikh, chairman of the defense industries committee, said that they were being sold by the Ukrainian Army, and added: "Russian enterprises may also be involved."

If it is assumed that these weapons really do exist, their source could be discovered by analyzing the list of arms and military equipment in the UUSE bulletin that were offered for the 11-12 February trading session. A KOMMERSANT-DAILY correspondent therefore went to Kharkov to study the list, and an analysis of it shows that there are basically three large groups of arms.

The first group includes weapons manufactured many years ago but which have never been used. The second and third groups comprise, respectively, brand-new hardware and partially used combat equipment.

The first group features such weaponry as rocket and artillery systems that were manufactured in the 1942-1991 period and for the most part have never been operated. They may originate (especially the most out-of-date weapons) from the mobilization depots of the Soviet Army, from where military equipment was to be drawn in the event of war.

Mikhail Maley, Russian presidential adviser on conversion, said in an interview with a KOMMERSANT correspondent that the bulk of such depots in the USSR were located in Belarus and in southwestern parts of Ukraine. He stressed, however, that the exact source of the military hardware could be established only if the manufacturer's serial number of the item was known. Those numbers were registered at the USSR Defense Ministry, and the archives went to Russia.

Experts at the Russian Defense Ministry's Main Organizational Mobilization Department consider it a great piece of commercial luck to be able to sell this equipment, or rather, the items that are authorized for sale. A great deal of it has been stockpiled, and nobody knows what to do with it. They note that out of the 1,300 artillery pieces of various calibers featured in the UUSE bulletin, the only items of real interest are the 1988 issue R-300 operational-tactical missile system, and the Kvadrat and 2K11 Krug mobile antiaircraft missile systems manufactured in 1987.

This does not mean that other, more up-to-date hardware listed in the bulletin is less interesting in itself (especially since its sale is not prohibited by the treaty, either). Yet Mikhail Maley stated emotionally and authoritatively that "the appearance of this equipment in the UUSE bulletin is just a bluff." In other words, according to the Russian presidential adviser, one should not take seriously the offer of selling through the exchange custom-made T-80BV tanks, Su-27 aircraft, Mi-24 helicopters, S-300V, Tor, and Tunguska antiaircraft missile systems, or BTR-80 armored personnel carriers. "These weapons," Mikhail Maley said, "are made in Russia, where arms export controls are tougher than ever before." The manufacturers agree with Maley in this regard.

A rapid check carried out by the presidential adviser at KOMMERSANT's request confirmed that not a single item out of these armaments went from the manufacturers in the past few weeks, bypassing the Russian export organizations, to be offered for sale at Ukrainian commodity exchanges. Mikhail Maley thus refuted Viktor Glukhikh's vague statement made at the 10 February press conference.

Maley stressed that Russia had a diversified arms trading network (Promeksport, Oboroneksport, Spetsvneshtekhnika, GUKS, Voyentekh), including commodity exchanges. For example, the arms and military equipment listed in the UUSE bulletin are successfully sold at the military section of Niznhiy Novgorod Fair (small-size items are displayed at the Zolotoye Koltso Exchange in the city of Suzdal), while the services offered by the UUSE in finding serious-minded business partners are performed in Russia by the business center of the military-industrial complex that is currently located on the 16th floor of the Moscow city hall building. "Why should we give away our commissions to the Ukrainian exchange?" was Mikhail Maley's rhetorical question.

The presidential adviser also thought that the price of $15 million that the UUSE was asking for the TOR antiaircraft missile system, manufactured in Udmurtia, was unrealistically low. He said that Oboroneksport had signed a contract for the sale of four such systems at a considerably higher price.

The partly used T-55, T-62, T-64, T-72, and T-80 tanks, MiG-27, Su-17, and Yak-28 aircraft, and Mi-8T helicopters included in the third group actually fall into the category of weapons subject to limitation under the CFE Treaty, and could have been acquired in the amounts shown in the UUSE bulletin only from regular army units. Their sale, therefore, if it takes place (especially to Africa, as the businessmen were planning), would be a violation of the treaty.

In theory, Russia, Ukraine, and Belarus can sell the above-mentioned weapons systems subject to the treaty limitations. If again we assume that these weapons really exist, however, then in addition to the arguments that Maley gave against the theory that they are of Russian origin, there is at least one another factor. Last summer, Russian military leaders were saying in the press (KRASNAYA ZVEZDA) that the Russian army had an acute shortage of the modern T-72 and T-80 tanks—less than 25 percent of its entire tank fleet. This was because the military districts located in Russia at the time of the Warsaw Pact were home-front areas, and for the most part were last on the list of priorities to receive modern equipment.

As for the troops located in Ukraine and Belarus, which made up the core of those countries' national armies, because of their "advanced location with regard to NATO," they were mostly equipped with modern tanks that have now become superfluous. The troops in the East European countries that had the most modern weapons in the entire Soviet Army were also partially transferred to these republics.

It is not only the surplus of modern tanks in the Ukrainian army that testifies to the Ukrainian origin of the military hardware. As KOMMERSANT has learned, a week ago the chief of the Ukrainian Defense Ministry's commercial center was dismissed.

Yet one cannot ignore the fact that many of the items advertised in the exchange bulletin are either totally unavailable in Ukraine, or else unavailable in the amounts stated, and in practice cannot be delivered there. This means that there may have been no weapons in the first place, which most likely means that it was "a feeler put out by the secret services." If this is so, the arms buyers proved to be equal to the occasion.

A KOMMERSANT correspondent who was in the UUSE on 11 February when the trading session was scheduled to take place did not notice a single buyer. According to UUSE Deputy Director Aleksandr Shlyakhov, the only telephone call to the exchange on that day came from someone who introduced himself as an intermediary for a foreign firm and inquired about tanks, but made no specific offers. This low interest on the part of the buyers must be due to their suspiciousness of the UUSE as a large arms trader. Serious buyers went off to the IDEX-93 international exhibition of arms and military equipment in Abu Dhabi, where on 14 February the modern T-80 tanks produced in Omsk will be demonstrating the firepower of Russian weaponry. KOMMERSANT will report on this exhibition in its next issue.

Agreements Signed on CIS Military Cooperation

LD1702182993 Moscow ITAR-TASS in English 1811 GMT 17 Feb 93

[By ITAR-TASS correspondent Roman Zadunayskiy]

[Text] Moscow February 17 TASS—Draft regulations for the organisation of classified and coded communications in the allied armed forces of the Commonwealth of Independent States were signed today at a meeting of the committee of the chiefs of staff of the allied armed forces of the Commonwealth of Independent States. The representative of the Moldovan Defence Ministry was the only one who abstained to sign the agreement on coded messages.

The document on principles of operational planning of the use of Armed Forces of the Commonwealth member countries was signed by all participants in the meeting, except for the representative of the Russian Defence Ministry. Colonel General Viktor Samsonov, chief of staff of the allied armed forces of the Commonwealth of Independent States said the Russian Defence Ministry gravitated towards signing bilateral and not multilateral agreements on this matter. But the decision of the Russian side is not final because all the documents signed in Moscow were advisory in character and will be further considered by the council of defence ministers of the Commonwealth member countries.

The committee of the chiefs of staff considered recommendations for the allocation of geostrategic space and the working out of military-geographical descriptions of the territories of the Commonwealth states. Work in keeping with these recommendations will continue in the national defence ministries.

Also today, work ended in the commanding centre of the allied armed forces of the Commonwealth member countries on a package of documents on military building and training of the allied armed forces and on the committee for manning and personnel training in the allied armed forces of the Commonwealth of Independent States.

CIS Joint Forces Staff Chief on Functions, Tasks

PM1802094193 Moscow KRASNAYA ZVEZDA in Russian 17 Feb 93 p 2

[Interview with Colonel General V. Samsonov, chief of CIS Joint Armed Forces Main Staff, by Oleg Falichev, in Moscow on 16 February: "The Commonwealth and National Security"—first paragraph is introduction]

[Text] A session of the Committee of Chiefs of Staff of the Commonwealth Joint Armed Forces will take place 17 February in Moscow. The previous day our correspondent met with Colonel General V. Samsonov, chief of the CIS Joint Armed Forces Main Staff, and invited him to answer a number of questions.

[Falichev] Viktor Nikolayevich, let us first remind readers what the CIS Joint Armed Forces Staff is, what its functions and tasks are. After all, if I understand it correctly, it was only recently that the Minsk meeting of heads of state and governments finally clarified these questions.

[Samsonov] It may well be that after Minsk uncertainties were lessened somewhat, because we adopted the CIS Charter and other documents in the interests of collective defense and military security. In recent months certain structural subunits of the staff have also been given their final shape. Today it is the administrative organ of the Main Command, the working organ of the Committee of Chiefs of Staff of the Commonwealth States, and the highest administrative organ of the Joint Armed Forces. It incorporates the chief of staff, his deputies, and permanent representatives of Commonwealth states' Armed Forces, and comprises committees, directorates, and departments. What functions does it carry out? Let me name just a few. They include analysis of the military-political situation in the world and the state of international security; the formulation of proposals on training and deployment of the Joint Armed Forces, the Military Observer Group, and the collective forces for keeping the peace in the CIS, and also formulation of the functions of the Main Command in relation to the strategic forces; participation in preparing proposals for draft normative-legal acts by Commonwealth states on issues affecting security, defense, the performance of military service, and social protection for servicemen, members of their families, and others.

[Falichev] Can you already tell us something about the results and effectiveness of the work done by components of the staff?

[Samsonov] In line with the Statute on the CIS Joint Armed Forces Main Command, the following components have been set up and are operating in the staff: The Committee of Chiefs of Staff, the Committee for the Military Organizational Development and Training of the CIS Armed Forces, the Committee for Manpower Acquisition and Cadres, and the Military-Technical Committee. They are collegiate military organs with consultative and recommendatory functions operating on a nonstaff basis.

The statutes concerning these components were only approved by the CIS Joint Armed Forces commander in chief in December 1992. The Committee for the Military Organizational Development and Training of the Armed Forces and the Committee for Manpower Acquisition and Cadres, for example, are only holding their very first session today, and the Military-Technical Committee is planning its first session for May this year. The Committee of Chiefs of Staff held two sessions in 1992 on issues of operational planning, averting conflicts on the external borders of the CIS, joint training measures for Commonwealth states' Armed Forces, and other matters. As a result of the sessions that have been held, final consideration of the composition of forces and resources

is currently going on so they can be allocated to the Collective Peacekeeping Forces.

[Falichev] A session of three committees will be held at once on 17 February—the Committees of Chiefs of Staff, Military Organizational Development, and Manpower Acquisition and Cadres. What decisions are planned at their sessions?

[Samsonov] The following issues will be submitted for examination at the session of the Committee of Chiefs of Staff of the Commonwealth States' Armed Forces: draft proposals on the organization of and security guarantees for secret communications, cooperation between the CIS Joint Armed Forces Main Command and the military administrative organs of the Commonwealth states' Armed Forces; and the organization of Joint Armed Forces directorates...

The Committee for Military Organizational Development and Training of the CIS Armed Forces will examine the issues of the composition and structure of the CIS Joint Armed Forces; recommendations on the principles for approaching issues concerning organizational development, manpower acquisition, and providing arms and hardware for the Collective Peacekeeping Forces.

The Committee for Manpower Acquisition and Cadres will tackle issues concerning the reciprocal transfer of servicemen from the Commonwealth states' Armed Forces; a standard approach for bringing the manpower of the Collective Peacekeeping Forces up to strength, as well as that of the strategic forces stationed on the territory of the Republic of Belarus and the Republic of Kazakhstan.

[Falichev] It is well known that the Committee of Chiefs of Staff session was preceded by the Interparliamentary Assembly in St. Petersburg. What was the role of the High Command and the Joint Armed Forces Staff in its work?

[Samsonov] The Interparliamentary Assembly, which operates within the framework of the Accords on Interparliamentary Cooperation, is stepping up its influence in resolving issues concerning the implementation of the accords in all spheres of cooperation between Commonwealth states, including defense spheres. This clearly shows the role of the High Command and the CIS Joint Armed Forces Staff. The practical work done by these military administrative organs is designed to coordinate the normative and practical efforts of the Commonwealth states and their military departments in the matter of joint defense, and also in the sphere of military policy and military organizational development. Representatives of the Main Command are taking part in the work of the sessions and form part of a number of components of the Assembly. On 10-11 February a working group from the Main Command headed by myself took part in the work of the Committees for Defense and Security, Legal Questions, Social Policy, and Human Rights. We also envisage sending a permanent representative from the Main Command to the Assembly.

[Falichev] All the same, judging from certain press reports, not everything went so smoothly in your staff's work. What problems are you facing today, what are they connected with?

[Samsonov] Unfortunately, owing to a number of reasons both objective and subjective, the Joint Armed Forces have not actually been established, although all the signatories to the Collective Security Treaty have acknowledged the need to establish them. One of the main reasons for this is the lack of unity in views of the composition and structure of the Joint Armed Forces, although, let me stress once more, progress has recently been noted in this area. The Republic of Kazakhstan is prepared to allocate some of its troops to forces for averting local conflicts on the external borders of the CIS. And Russia and the Republics of Uzbekistan, Kyrgyzstan, and Kazakhstan have allocated units and subunits to cover the Tajik-Afghan border. In order to develop this process further, proposals on collective and peacekeeping forces have been prepared by the staff, and we believe they will be discussed at a session of the council of defense ministers shortly.

But some of the agreements are not being carried out owing to the lack of a mechanism for implementing them. Monitoring carried out by authorized organs from Commonwealth member-states in order to check whether adopted agreements and decisions are being implemented is feeble at the present time, and the Joint Armed Forces Staff has not been allocated these powers.

[Falichev] What is your forecast for the development of military relations in the CIS in the near future? And how might the tasks of the CIS Joint Armed Forces Staff change as a result of this?

[Samsonov] Right now, I think, there is no point trying to prove that any former USSR state is in a position to guarantee its security relying on its own Armed Forces alone. We can therefore only welcome the sensible decision by the Commonwealth countries that signed the Collective Security Treaty. Joint Armed Forces—and I am convinced that such forces will be established—may be used to settle various conflicts within CIS countries by carrying out peacekeeping operations performed by the specially established peacekeeping groups. When a conflict arises on the external borders of the CIS, a bigger contingent of the Joint Armed Forces may be used. I think the Commonwealth states should be vitally interested in establishing a reliable defensive shield involving the lowest possible expenditure of forces and resources.

Today the CIS Joint Armed Forces Staff, as I have already noted, is essentially playing the role of an organization of cooperation between the staffs of all the Commonwealth states. Representatives at the level of deputy chiefs of the General (Main) Staffs from the

Republics of Armenia, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan are working within it. Representatives of the Russian General Staff will start work in the near future.

The staff's tasks with regard to collating, analyzing, and forecasting the situation in various regions, ensuring reciprocal supplies, and creating a new system of mobilization deployment within the framework of the states that signed the Collective Security Treaty, are clearly being broadened. And finally, the staff's role in resolving issues affecting the training of skilled military cadres should increase. The solution to this problem is seen in establishing a unified interstate system of military education within the Commonwealth framework.

One last thing. In view of the increase in social tension in some regions of the former USSR and the fact that a significant number of citizens, including servicemen, are living outside their ethnic homelands, the question of protecting their rights and freedoms has come up in an acute form. Work in this sphere is being carried out by the Committee for Servicemen's Rights, which is formulating a draft accord on social and legal guarantees for servicemen performing their military service outside the borders of their states. The work has almost been completed at the present time.

Rumors of CIS April Summit Transfer Denied

WS1702133193 Minsk BELINFORM in Russian 1255 GMT 17 Feb 93

[Text] Today, some mass media, including the newspaper IZVESTIYA, reported that Ivan Korotchenya, coordinator of the CIS working group, had spoken in Ashkhabad about a possible transfer of the CIS summit planned for 30 April from Yerevan to the capital of Turkmenistan. As the press service of the working group has informed us, there has been no conversation between the coordinator and journalists that could lead to such a conclusion.

There was some talk about Armenia doing everything possible in order to bring this summit to a due standard despite its difficult situation—the energy blockade and the economic crisis. The coordinating bodies of the CIS governments and legislatures are working in close contact with the Armenian organizational committee. All coordinating groups hope that the summit will be successful. During its recent visit to Yerevan, the working group became convinced that Yerevan has perfect conditions for the summit. The Russian prime minister will assist in resolving certain problems, including the car shortage.

News Agency Chiefs Discuss Information Coordination

LD1802090693 Moscow ITAR-TASS in English 0759 GMT 18 Feb 93

[By ITAR-TASS correspondents Sergey Nikishov and Sergey Postanogov]

[Text] Moscow February 18 TASS—Heads of national news agencies that in the past were part of the TASS system met in Moscow on Thursday [18 February] to discuss ways of giving full coverage of situations in their states, further development of the single information space, coordination of efforts in studying the information market.

Representatives of news agencies from Armenia, Kazakhstan, Moldova, Belarus, Turkmenistan, Tajikistan and Ukraine are taking part in a two-day seminar held at ITAR-TASS in Moscow.

"The time that has passed since the creation of the CIS showed that there are possibilities to create a single information space, at least on the territory of the Commonwealth," ITAR-TASS was told by head of BELINFORM Belarusian news agency Yakov Alekseichik. "All of us must be together."

"Unfortunately, we found ourselves in various states," Alekseichik said. "New attitudes to tackling outstanding problems have yet to be elaborated which is a major setback in the way of single information space. I cherish no great hopes that we will solve all the problems, but I hope that we will determine the attitudes towards their solution."

Conviction in the need to preserve, strengthen and perfect the information space on the territory of the ex-USSR was expressed by UKRINFORM Ukrainian news agency Vitaliy Vozianov. UKRINFORM, he noted, seeks to set up its own network of foreign correspondents and not limit itself only to reports sent by ITAR-TASS correspondents. It also seeks to establish links with major world news agencies, including REUTERS and [AGENCE] FRANCE PRESSE. But UKRINFORM leadership regards it important to establish good relations with news agencies of the former republics of the USSR.

Director of Kazakh news agency KAZTAG Amangeldy Akhmetalimov noted that the creation of a single information space in the framework of the Commonwealth will promote integration of CIS countries in many fields, including politics and economy. He emphasised that Kazakhstan favours further strengthening of inter-state links.

ITAR-TASS Carries Press Review for 18 Feb

LD1802070993 Moscow ITAR-TASS in English 0537 GMT 18 Feb 93

["Press Review"—ITAR-TASS headline]

[Text] Moscow February 18 TASS—All today's central newspapers comment on the meeting on Tuesday night [16 February] between President Boris Yeltsin and Parliament Speaker Ruslan Khasbulatov.

The press reports that Yeltsin proposed an idea of convening an extraordinary Congress of People's Deputies to ratify an agreement "on concerted actions by federal legislative and executive power bodies with a view to stabilising the constitutional system and taking the country out of the economic crisis." The agreement is to be prepared by a working group which was set up during the meeting.

The president's opinion is that a congress could be held within the first ten days of March. Pending a confirmation of the agreement, the executive authorities will go ahead with preparations for the April 11 referendum.

"Speculations about referendum would lead to no good," President Mikhail Nikolayev of the Republic of Sakha (Yakutiya), said in an interview with NEZAVISIMAYA GAZETA (Independent Newspaper).

Nikolayev urged working out "clear-cut referendum formulas so that all people could understand them." At the same time he called for the "sovereignty declarations of the republics within the Russian Federation, their constitutions and the federal treaty to become a real basis for Russian statehood." It is only in this way that "the stability and might of the Russian Federation" can be ensured, Nikolayev maintains.

KRASNAYA ZVEZDA (Red Star) carries an interview with Lieutenant-General Gennadiy Bochayev, chief of the Russian Army's main department for mobilisation arrangements, who made an estimate of the mobilisation readiness of the present day Armed Forces of Russia.

The general pointed out in particular that "the main question in this respect is that of manning. Unfortunately, the state of things here is not what one would like it to be," Bochayev said. He gave as an example the 1992 autumn draft campaign when approximately 20-22 men out of every 100 were drafted in the light of an acute shortage of draft input resources.

Therefore, the general maintains, "only about 20 per cent of the essential requirements of the Army, Border and Interior-Ministry troops are ensured even in the light of reductions in the Armed Forces."

PRAVDA runs an interview with Sergey Stepanov, assistant chief of the administration of the president of Russia, who spoke of the ongoing inquiry into the circumstances of the shooting down of a South Korean Boeing airliner over the territory of the Soviet Union a decade ago.

Stepanov pointed out of particular that "the main task is to determine precisely why the airliner deviated from its original route." At the same time he called for the Russian side to give maximum assistance to the international inquiry "in order to complete it and thereby discharge its moral duty."

SOVETSKAYA ROSSIYA, under the headline "Gorbachev is Being Tried for Betraying the Motherland," reports "People's Tribunal" proceedings which open on Thursday on the communists' initiative—a trial of former Soviet President Mikhail Gorbachev in his absence. The newspaper carries a six-point charge brought by the initiators of the proceedings against the former chief of the Soviet Union and the Communist Party.

Under the rubric "A Political Portrait," PRAVDA writes about Turkish Prime Minister Suleyman Demirel, who has already held the office of the premier in the past many times. The newspaper notes Demirel now "helps forward the establishment of a Black Sea cooperation organisation, thereby showing renunciation of methods involving the use of force in settling conflicts in the former Soviet Union or the former Yugoslavia."

U.S. Envoy Ends Moscow Talks on Yugoslav Conflict

MK1702140693 Moscow KOMMERSANT-DAILY in Russian 16 Feb 93 p 9

[Andrey Yedemskiy, Valeriya Sycheva report: "Clinton's Envoy in Russia. Moscow Will Not Support Washington on Tougher Sanctions Against Serbia"]

[Text] Reginald Bartholomew, the U.S. President's special envoy on the Bosnian settlement, ended his three-day visit to Moscow on 14 February. He met with Russian parliamentarians and talked with Russian Foreign Minister Andrey Kozyrev. The visit showed that Russia and the United States have similar views on the possible consequences of the Yugoslav crisis, but that Washington is not yet ready to consider relaxing the sanctions against Serbia. According to Yevgeniy Ambartsumov, chairman of the parliamentary international affairs committee, during his meeting with Supreme Soviet members at the Russian White House on 13 February, Reginald Bartholomew "was given to understand that parliament will not agree to increasing the sanctions against Serbia, and will insist on a political solution to the problem."

Later in the day, Bartholomew met with Kozyrev and Deputy Foreign Minister Vitaliy Churkin, who has been working on a settlement to the crisis since last August. Attention was focused mainly on the conflict in Bosnia-Hercegovina. At the initiative of the Russian side, the situations in Croatia and Kosovo were discussed "in general terms." Kozyrev noted the similarity of views between Russia and the United States on the possible consequences of the Yugoslav crisis and the importance of an urgent settlement to the conflict in the region.

The Russian side drew the Americans' attention to the recent positive changes in the Serbian position. A high-ranking official in the Russian Foreign Ministry, who took part in the meeting and wishes to remain anonymous, told KOMMERSANT-DAILY that "this assessment proved largely unexpected for the Americans." Bartholomew's reaction showed that the United States is not yet ready to consider relaxing, and eventually lifting, the sanctions against Belgrade. At this stage the Russian Foreign Ministry is inclined to attribute Bartholomew's present stance to "a poor grasp of the situation," as he was appointed only recently, rather than to a wish "to avoid analyzing the details" or to Washington's disposition toward making "simple, tough decisions."

KOMMERSANT-DAILY experts, on the contrary, believe that Bartholomew could not have been uninformed of the previously stated Russian position toward Serbia. His reaction reflects the position of the Clinton administration, which has not renounced the idea of "developing a model," using the Serbs' example, for a tough settlement of crises in the post-communist world and of creating a precedent for the introduction of this model.

[The article includes the following boxed text:

"The Two Countries' Approach to the Bosnian Settlement
"The United States:
"—the Serbs bear the main responsibility for the developments in the region;
"—greater political and economic pressure should be brought to bear on Yugoslavia;
"—military action against the Bosnian Serbs is not ruled out.

"Russia:
"—the three sides are equally responsible;
"—a gradual relaxation and subsequent lifting of the sanctions toward Yugoslavia is possible;
"—absolute priority is given to political means of settlement. Military measures bear the risk of escalating the conflict and should be applied by decision of the UN Security Council, and exclusively under its control, to all warring sides only as a last resort."]

Chance of Balkan Compromise With U.S. Viewed

MK1702105593 Moscow NEZAVISIMAYA GAZETA in Russian 17 Feb 93 p 4

[Yevgeniy Matonin article: "Washington's Plans Are Not Moscow's Plans. Have Russia and the United States Reached Compromise on Yugoslav Crisis Settlement?"]

[Text] After a two-week wait, the Americans have unveiled their plan for a peace settlement in Bosnia-Hercegovina. Those who had hoped to hear something fundamentally new from them—particularly following numerous statements by representatives of the U.S. President's staff that "new initiatives are being formulated"—have probably been disappointed. Bill Clinton has not proposed anything new or even specific. Nevertheless the American initiatives made a big splash, as the saying goes.

The American proposals boil down to the following. The United States is joining actively in the negotiating process. Reginald Bartholomew has been appointed U.S. negotiator. The United States is prepared to send its servicemen to Bosnia to guarantee the peace plan. The United States is proposing the creation under the United Nations of a tribunal to deal with war crimes in former Yugoslavia. And finally—in a rather strange and unexpected step for the present situation—the United States is proposing tougher sanctions against Serbia and Montenegro.

As we can see, there is indeed nothing fundamentally new here. But these very American proposals could finally clarify the future of the Owen-Vance plan in the very near future.

But as yet the only thing that is clear is that the Americans do not intend to block the negotiating process and are going more for diplomatic efforts than armed intervention. Everything else remains in question. At present they are only making the vague comment that the Owen-Vance plan "is a possible basis for further negotiation" but are not saying outright whether they approve or do not accept it. The main point is that the American attitude to the scheme for dividing Bosnia into regions is unknown.

The Americans warmly welcomed the initiative of the Muslim government in Sarajevo and its closest ally—Turkey—who unambiguously stated that the Clinton proposals kill off the Owen- Vance plan for the "cantonization" of Bosnia. Alija Izetbegovic has headed for Washington for a meeting with the U.S. vice president, after which, it is believed, he will take part in negotiations. The Serbs' reaction was the direct opposite. They have no doubt that the United States is going to act primarily in the interests of the Muslims, which sooner or later will result in an offensive against Serb areas. Immediately after the Clinton plan was unveiled the government of the Serbian republic in Bosnia-Hercegovina sent a message to the Russian Supreme Soviet urging, first, that a Russian representative be appointed for the negotiations on Bosnia and, second, that agreement be given to Russia sending its troops to the conflict zone—in order to neutralize American and what they see as eventual Muslim domination.

At the same time the American plan has offered some relief to NATO and other U.S. allies. Britain and France, which have soldiers in Bosnia as part of the "blue helmets," are gratified that Washington has not revoked the embargo on arms supplies to the Muslims. If that were to happen the war would flare up again with renewed force, which would naturally hit the UN forces very hard. On the other hand, even if the very idea of sending troops into Bosnia in line with the Owen-Vance proposals was implemented, it is obvious that this would be beyond the United Nations. Real action by 20,000 soldiers in peacemaking operations would be feasible only with U.S. or NATO support. But all the indications are that NATO is not too keen to be seen as "Europe's policeman" or to expose its soldiers to fire, so this point in the American initiative suited NATO'S European members.

Naturally it is no coincidence that Reginald Bartholomew's first visit has been to Moscow. The Clinton administration wants to publicly show that its Yugoslav policy will be implemented in close cooperation with Russia, whose interests in the Balkans are obvious. But there are also other factors here which are more worrying for the Americans. With the start of the Croat aggression in Serb Krajina Russia was presented with an exceptionally convenient chance to at least partially rehabilitate itself for joining in the totally unjust sanctions against Yugoslavia. The Russian Government has taken full advantage. Hot on the heels of Russia's demand to the UN Security Council to introduce sanctions against Croatia came a sharp warning of the inadmissibility of military intervention in Bosnia. Therefore Russia's future conduct—particularly following Clinton's proposal for tougher sanctions against Yugoslavia—could be a major problem for the American president.

It is important for the Americans to reach some kind of compromise with Russia. But despite the paucity of official information on Bartholomew's meetings in Moscow, the impression created is still that a compromise has not yet been reached. It has become clear from allusions by Kozyrev and Bartholomew that the sides' views coincided only in their assessment of the consequences of the Yugoslav crisis for the world and Europe and of the need for cooperation in resolving it. After being on the receiving end of criticism for six months, the Russian Government is evidently now trepidatious about immediately accepting the American proposals on Yugoslavia, and it will now be much more difficult to convince it to do this than in May last year. The erstwhile unity on the Security Council no longer exists, and none of the sides can act effectively in Yugoslavia without agreement with the other. Incidentally, Bartholomew stated that he will be coming to Moscow again soon, and that visit will probably be more definitive.

It is noteworthy that on the day of Bartholomew's visit Kozyrev's deputy, Vitaliy Churkin—who, incidentally, has been appointed Russia's special representative at the talks on Yugoslavia—stated after meeting with a Bosnian Government delegation that Russia continues to firmly regard the Owen-Vance plan as "a realistic basis for a settlement."

Secretary Christopher's Near East Tour Previewed

PM1802130593 Moscow IZVESTIYA in Russian 18 Feb 93 p 3

[Konstantin Eggert report: "Warren Christopher Going to Near East To Continue James Baker's Work"]

[Text] Since Henry Kissinger's time, every newly appointed U.S. secretary of state has made a trip to the Near East one of his first, if not his very first. Warren Christopher has not gone against tradition, and on 17 February set off on a visit to Egypt, Jordan, Syria, Israel, Saudi Arabia, Kuwait, and, possibly Lebanon.

The last time James Baker went on a similar tour was last July. At that time, after the Labor Party had come to power in Israel, the prospects for progress at the talks on a Near East settlement seemed better than ever before. New Premier Yitzhaq Rabin promised to reach an agreement within the year on autonomy for the Palestinians on the West Bank and in the Gaza Strip. A great deal has changed since then, and not, regrettably, for the better.

After Tel Aviv deported some 400 activists from the Hamas fundamentalist organization to Lebanon in December, the Palestinian delegation backed by Israel's Arab neighbors refused to return to the negotiating table in Washington until all the deportees had been brought home. The Israeli compromise proposal, whereby 100 deportees would return immediately and the rest at the end of the year, was by and large approved by the UN Security Council and backed by the United States, but the Palestinians are still insisting on the unconditional abrogation of the decision on deportation as a condition for resuming the peace dialogue.

Christopher's task is to persuade Arab leaders to take part in the ninth round of talks with Israel in Washington

in March and April and influence the Palestinians in this respect. Incidentally, the secretary of state has already found out Tel Aviv's position after meeting with Foreign Minister Shim'on Peres in the U.S. capital Tuesday. Rabin's cabinet obviously has no intention of going further with concessions.

In this context one of the most important items on the schedule is the visit to Damascus. The view is widespread (not without foundation) that Syria is benefiting from the conflict over the deportees, as a result of which Israel has come under pressure from world public opinion, thus increasing the likelihood of its making concessions, on the question of the Golan Heights among others. W. Christopher must find out during his conversations with Faruq al-Shar', head of the Syrian diplomatic service, whether that approach is no longer viable.

Immediately after his Near East travels, the secretary of state will fly to Geneva to meet with Andrey Kozyrev, and the Madrid process will occupy a prominent place on the agenda during that meeting. It is quite possible that the Americans will ask Moscow, with its influence on Hafiz al-Asad and Yasir 'Arafat, to put additional pressure on the Syrians and Palestinians.

Department of State representatives are being cautious in their assessment of the prospects for the Christopher visit and are recommending that people "not expect immediate results." This trip will after all be an exploratory one for the head of the U.S. foreign policy department, who, by his own admission, does not have a sufficient grasp of regional problems.

Commentary on Tour

LD1702151893 Moscow Radio Moscow World Service in English 1210 GMT 17 Feb 93

[Commentary by news analyst Yuriy Solton]

[Text] U.S. Secretary of State Warren Christopher is beginning his tour of the Middle East. Will his attempt to persuade the region's countries into resuming direct Arab-Israeli talks be a success? Here's an opinion from our news analyst Yuriy Solton:

Warren Christopher is cautious in his forecasts. He believes his trip will help to specify the venue and time for resuming bilateral and multilateral talks on a Middle East settlement. He said he would study most carefully the stand of the sides and try to suggest ways to reach a compromise. He believes it's important to resume the talks. Yet for this the United States should find a common language with the Arabs.

Things are easier with Israel. The United States has agreed to Israel's plan of phased out return home of the Palestinians deported to the south of Lebanon. Yet the Palestinians themselves do not agree to such an approach. They demand a strict observance of the UN Security Council resolution of 17th December 1992, which stipulates an immediate return home of all the deported Palestinians. Till then, the Palestinians say, they will boycott the talks.

Just on the eve of Warren Christopher's trip the League of Arab States has again supported the stand of the Palestinians. In addition representatives of Arab countries requested the United Nations and the UN Human Rights Commission to take measures to put an end to Israel's repressions against the Palestinians, including the policy of deportation.

Russia, which together with the United States acts as a cochairman at the Middle East talks, is interested in their early resumption. There is no other way to settle the Middle East conflict. Israel and the Arab countries failed to solve the matter by use of force in the past 40 years. A stalemate at the talks makes the situation in the region even worse and interferes with the constructive search for a compromise.

Moscow does not favor a resumption of talks at any cost to the detriment of vital interests of any side. Nor could Moscow support categoric claims or extremism, either on the part of the Arabs or the Israelis. No agreement is possible without a compromise.

Russian diplomacy has lately stepped up efforts in the Middle East. It holds intensive consultations with both the Arab countries and Israel. Russia's fair play in the matter has met with a favorable response.

After his Middle East tour, the U.S. Secretary of State Warren Christopher is expected to meet the Russian Foreign Minister Andrey Kozyrev in Geneva on the 25th of this month. High on the agenda will be a Middle East settlement. Maybe this will help to develop new approaches conducive to an early resumption of the Arab-Israeli dialogue.

Boris Fedorov's Washington Meetings Reported

PM1802100993 Moscow IZVESTIYA in Russian 17 Feb 93 p 1

[Report by Aleksandr Shalnev: "Americans Merely Listen to B. Fedorov. Washington Still Has No Clear Plan To Support Russian Reforms"]

[Text] Washington—Russian Deputy Prime Minister Boris Fedorov met on Monday [15 February] in Washington with a number of U.S. Administration figures on whom President Clinton's Russian policy ultimately depends: Secretary of State Warren Christopher, Special Ambassador Strobe Talbott, and Toby Gati, head of the National Security Council's Former Union Department.

As I understand it, the Americans did not really say anything, but listened: They wanted to be clear in their minds about what is happening in Russia and to get at least a rough idea of what is going to happen there.

They confined their comments mainly to the traditional expression of support for the reforms in the former

Union. But, according to my data, there was nothing specific in their pronouncements, for example, about how the aid will be rendered, through what channels, and on what scale.

This calls into question the suggestions that have appeared in the U.S. press that, by the time he meets with Russian Foreign Minister Kozyrev in Geneva 25 February, Christopher will have the "general outline" of Washington's Russian policy, which, as THE NEW YORK TIMES wrote recently, will "combine political, diplomatic, and technical aid with ideas about how best to handle the money that Russia has already been given."

In a brief conversation with me Fedorov, who, while being vice premier also retains his previous post as director of the World Bank representing Russia, stressed that the Russian administration's policy of reforms is not dependent on Western aid. "If there is aid, fine, we will make quicker progresss; if there is no aid, we will get by through our own efforts," Fedorov said. While in Washington he will also have meetings with Secretary of the Treasury Lloyd Bentsen and Federal Reserve System Chairman Alan Greenspan, as well as with Michel Camdessus and Lewis Preston, the top people in the IMF and the World Bank.

I would add that an IMF delegation goes to Moscow 22 February. Its brief is to begin consultations with the Russian Government on the future development of reforms in Russia. The delegation will be primarily interested in the program of measures whereby Moscow intends to combat hyperinflation. If the sides hit it off the consultations will develop into negotiations on the allocation to us of the fund of $3 billion which was promised to us but has not yet been delivered.

Foreign Ministry Representative Visits Baghdad

OW1702155993 Moscow INTERFAX in English 1520 GMT 17 Feb 93

[Report by diplomatic correspondents Andrey Borodin, Dimitry Voskoboynikov, Igor Porshnev, and others; from the "Diplomatic Panorama" feature—item transmitted via KYODO]

[Text] The goal of the Russian Foreign Ministry representative Igor Melekhov's visit to Baghdad a few days ago was to do "political research," a high ranking Russian diplomat told INTERFAX on Wednesday. "Melekhov's main assignment was to listen to what the Iraqis will say about their further moves," he said. "It was extremely important to understand what stands behind the contradictory signals that have been coming from Baghdad lately," he added.

He also said that the Russian Foreign Ministry was studying Melekhov's report and would send corresponding recommendations to the authorities. He confirmed Moscow's belief that Baghdad must implement all of the Security Council's resolutions dealing with Iraq. "Iraq has a different position," he continued. "So we need to see whether it can be taken into account and whether it can affect our political and diplomatic moves," he said.

He described as "unduly overstated" the conclusions made by experts of the Russian Ministry of Foreign Economic Relations, in whose estimate participation in the sanctions against Iraq, Libya and Yugoslavia has cost Russia $27-28 billion, including lost income. "One could quote even higher figures, but none of them would be true," he said. He also said that joining the sanctions against Iraq had cost Russia $4.1 billion, including "lost income." Russia's losses caused by the sanctions against Libya amount to about the same sum, he noted.

He explained that the difference in the estimates was due to the fact that different experts evaluated the income which might have been gained from the unconcluded contracts in different ways. "Incidentally, Americans also quote exorbitant sums when evaluating the income they have lost," he said in conclusion.

Grachev Heads Delegation to UAE Arms Fair

PM1702140793 Moscow KRASNAYA ZVEZDA in Russian 16 Feb 93 p 3

[Report by Vladimir Kosarev, Yuriy Mamchur, and Aleksandr Ivanov: "Abu-Dhabi: A Step on the Road to an Arms Market. The Future Will Show How Assured It Was"]

[Text] Abu Dhabi, Moscow—And so, "IDEX-3," an international exhibition of military technology and arms, opened 14 February in Abu-Dhabi in the United Arab Emirates [UAE]. Over a period of five days, 34 countries will present military products—from firearms to tanks and artillery mounts, from battlefield personnel protection devices to electronic laser control and communications systems. Items ranging across the widest spectrum will be put on show by 350 firms which have long since received acclaim on the world arms market. And this is not counting the 150 Russian enterprises: Our country is the only one not to resort to the glittering publicity of the big trade marks. Everything which we are putting on show here (KRASNAYA ZVEZDA has already reported this in detail) has one address and one trade mark—"Made in Russia." The explanation lies perhaps not only in our traditional collectivism or a desire for originality. Whereas the names of our defense plants and design bureaus in the Urals, Siberia, Tula, Nizhniy Novgorod, and elsewhere—unpublicized for decades for understandable reasons—mean precious little to potential customers, Russian weapons as such do not need glossy bouquets. They are backed by a fame that can truly be called perennial and a certain acclaim on all continents.

"The fact that our weapons are reliable, modern, and often taken as a working basis for the production of analogous systems in many countries is a credit to our

weapons makers—the workers, engineers, and scientists," the legendary designer Mikhail Kalashnikov, who is attending this exhibition, said in conversation with us. "And this exhibition, in my view, is not saber rattling, but a search for opportunities to strengthen cooperation and develop trade."

The fact that the Russian delegation is headed by Defense Minister Army General Pavel Grachev indicates the great importance our side attaches to this cooperation, and hence to the exhibition. To your correspondent's question as to how he rates the political and military importance of Russia's participation in such an imposing exhibition, Pavel Sergeyevich remarked that it is primarily a question not of selling weapons to anyone for use in offensive combat operations, not of attempting to upset the balance in the region, but of our offering military products for defensive purposes in strict compliance with international laws. At the same time we certainly do not forget our national security and our support for the need for a defensive capability in line with our military doctrine, and will deliver weapons only to countries which do not present a potential threat for Russia.

There is another aspect that is not without importance. It is essential that Russia conserve all the best and most advanced of what has been developed in the defense sectors of industry, safeguard their unique cadres, and ensure conversion processes. By selling competitive technology and weapons we can earn hard currency—and a sizeable amount thereof—for the state's basic requirements.

This is perhaps the first time that the Russian Federation Ministry of Defense, Committee for Defense Sectors of Industry, and Ministry of Foreign Economic Relations—in the guise of "Oboroneksport," which has taken on the organizational side of the event—have been represented so extensively in an exhibition of this type. It is gratifying to note that all Russian departments involved in the production and operation of weapons and the arms trade are organizing direct contacts between each other, which improves the prospects for Russian weapons' advancing onto the world market.

Great attention is being focused on the Russians on the part of the UAE and their Armed Forces. In the opinion of Oleg Darkovskiy, Russian Federation ambassador to the UAE, which he expressed to us in an interview, this reflects the UAE's policy toward maintaining friendly relations with Russia. The Russian leadership in turn is doing everything to reciprocate the display of friendship. With its extensive participation in the exhibition Russia is demonstrating its desire, readiness, and commitment to playing an active part in maintaining stability and security in this region. After the end of the "Cold War," the world is still far from ideal, as events in a whole series of hot spots testify. In these conditions many states will be concerned to safeguard their security. And Russia, as a producer of high quality and modern weapons, can play an important part in this.

We will not try to anticipate events, but facts are facts, as the saying goes. A few days before the opening of the exhibition, only the Russians have "unwrapped" their technology; they have appeared at the gunnery range, testing site, and shooting range. In preliminary shooting the "Tochka-U" tactical purpose missile complex and the "Smerch" jet-propelled salvo fire system achieved good scores. In the estimation of Pavel Trishin, general director of our exhibition, the credit for this is due to the test site "team" under the leadership of Colonel General Nikolay Demidyuk, who was able, in a short period of time and difficult weather conditions—the Emirates have not experienced rain such has been seen here in recent days for 10 years—to do all the necessary preparation.

The T-80 tank has become something of a star among the more than 250 exhibits of ours, most of which are being seen "live" abroad for the first time. When it was initially tested on difficult terrain, Western competitors dropped everything and, as the saying goes, rushed to observe, time, and plot its course. At the pilot run on the day of the opening of the exhibition, each bound by the megatonne machine after overcoming yet another obstacle at high speed elicited rapturous applause from those present. And the most colorful personality at the exhibition is Valeriy Rychkov, the mechanic and driver of the T-80. He is distinguished not only by his dashing combat fatigues with the tricolor chevron "Russia," but also his nose, which was smashed to pieces while spinning out of control and is stuck with plaster.

But trading in arms is a delicate business, with a mass of attendant circumstances, not the least of which are on the political plane. Emotions, applause, and broken noses are not taken into account. On the first day of the exhibition the UAE concluded a contract to purchase 436 French "Leclerc" tanks. Our competitors too, it would seem, are no slouches. And therefore we will not jump to conclusions. As our Ambassador Oleg Darkovskiy said, the exhibition will possibly help bring the conclusion of various trade contracts nearer. Time will tell whether there will be a "engagement," let alone a "wedding."

Seeks To Improve Russian Reputation

PM1802115193 Moscow IZVESTIYA in Russian 16 Feb 93 p 1

[Yuriy Kovalenko, Aleksandr Sychev report: "P. Grachev Appeals at Abu Dhabi Arms Show for Russian Weapons' Reputation To Be Improved"]

[Excerpts] The "Idex-93" large-scale arms show-fair has opened in Abu Dhabi, the capital of the United Arab Emirates; over 350 firms from 34 countries are participating in it. [passage omitted]

Until now the main suppliers of combat equipment to Persian Gulf countries have been the United States and Britain. Now France has been given access to this closed market. Russia has aspirations to it too, bringing 370 state of the art military systems to the show: T-80 tanks with diesel and gas-turbine engines and air conditioning systems, S-300 PMU-1 and S-300V antiaircraft missile systems, and "Konkurs," "Metis," "Tochka U," and "Tor" weapons systems, which are not only equal to Western analogues, but are superior to them in many indicators.

According to Sergey Belousov, representative of the "Oboroneksport" State Association, Russian exporters intend to make active use of the opportunity provided by the show and demonstrate to potential buyers the achievements of our weapons manufacturers, who have yielded to Western firms in many regions recently.

In the past few years, Russia's share in the world arms trade fell from 38 to 17 percent, a fact which our rivals did not delay in exploiting. The U.S. share, for example, rose from 30 to 58 percent. "A vacuum is always filled," S. Belousov said. "But the sale of a few S-300 antiaircraft missile launchers would enable the enterprises which manufacture them not only to keep their highly skilled specialists, but also to obtain the funds that are so necessary for conversion."

According to Russian Defense Minister Pavel Grachev, who presented Sheikh Khalifah Bin-Zayid Al Nuhayyan, crown prince of the Abu Dhabi Emirate, with the latest model of the AK-74 Kalashnikov assault rifle, the Russian display has several tasks: Improving the reputation of Russian weapons, backing up the experience of military production in Russia, keeping the specialists, and making a perceptible contribution to the country's economic revival. "Commerce will not contradict politics," Grachev stressed, "but it will ensure the achievement of the Russian state's political and economic aims."

According to figures from LE FIGARO (unfortunately it did not prove possible to obtain the relevant information in Moscow), in 1992 Russia sold $2 billion's worth of weapons to Asian and Near East countries, and intends to at least double supplies. Whereas observers from another French newspaper, LA LIBERATION, predict that Russia will occupy one of the first places in the world as regards arms exports this year, and will earn 16.5 billion francs—15-20 percent more—than in 1992. "Oboronoeksport" believes that it will be hard even to regain the positions that have been lost.

Leaves UAE for Kuwait

PM1802114193 Moscow KRASNAYA ZVEZDA in Russian 17 Feb 93 p 3

[Report by Vladimir Kosarev, Yuriy Mamchur, and Aleksandr Ivanov: " 'IDEX-93': A Fierce Trade Battle Is Under Way"]

[Excerpts] Abu Dhabi—After the exhibition complex, which is impressive not only for the standard of exhibits but also for its striking design, abundance of color, and exotic appearance, going to the test range belonging to the United Arab Emirates [UAE] Armed Forces is like being transported to another planet. Just 40 km away from the capital, its outer parameters are lost in the burning desert sun. It is here that a demonstration of the combat potential of hardware and weaponry displayed at the IDEX-93 Exhibition is being staged. [passage omitted]

In the past two days of the exhibition, its hosts and guests were able to see the "Smerch" long-range jet-propelled system, the "Msta" self-propelled 152-mm howitzer, and the "Tochka-U" operational-tactical complex in action. The "Igla" infantry-mobile antiaircraft missile system and the "TOR-M-1" antiaircraft missile system were used against airborne targets, and the S-300 PMU-1 is being prepared for firing Wednesday. Despite the heat and the strong crosswind, all targets were destroyed in the first rounds of fire. Our experts' activities received high appraisal from Army General Pavel Grachev, Russian minister of defense.

As we were told by Viktor Glukhikh, chairman of the Russian Federation Committee for Defense Sectors of Industry, genuine interest is being shown in our hardware. It is still too early to talk about specific results. There is a keen competitive battle going on. Commenting upon contracts already concluded at the exhibition (for French "Leclerc" tanks, and for a U.S. firm's air defense facilities—a radar and communications system), Viktor Konstantinovich said that, from his point of view, the determining factor here is the UAE's desire to do business with everybody. Obviously, the Emirates' side has been working with these firms for a long time already, and the conclusion of contracts was predictable.

In the Russian pavilion today there was a demonstration of ammunitions unrivaled anywhere in the world.

Russian Defense Minister Pavel Grachev left the UAE 15 February for an official visit to Kuwait. In a conversation with KRASNAYA ZVEZDA's correspondent he said that the aim of the visit is to sign a memorandum on bilateral relations between the Russian and Kuwaiti Ministries of Defense, to spend some time in the troop subdivisions, and to hold talks with the Kuwaiti leadership on future military and military-technical cooperation between the two states.

Shokhin on Russian-Ukrainian Fuel Price Issue

LD1702220693 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 17 Feb 93

[From the "Novosti" newscast]

[Text] [Correspondent Yevgeniy Fateyev] Russian-Ukrainian relations, which are already complicated enough, are becoming considerably more complicated because of the increase in the price of gas recently imposed by Russia. This depressing conclusion can be drawn from the news conference given by Deputy Prime Minister Aleksandr Shokhin, who told journalists about the results of the Russian-Ukrainian talks on new fuel prices, which have just ended.

The Ukrainian delegation, headed by First Deputy Prime Minister and academician Yukhnovskiy, left Moscow empty-handed, as Shokhin put it, even though Russia, it was said, immediately proposed a compromise option: to sell natural gas not at world prices, as should be the case with regard to Ukraine—for it is not a member of the ruble zone—but at the same privileged tariffs as the other CIS members. But this also was not to the liking of Ukraine. For the price of gas, taking into consideration the value added tax and export duties, has increased several times over compared with last year.

[Begin Shokhin video recording] The increase in prices is a serious matter and has a deleterious effect on the economic situation, but to subsidize the Ukrainian economy from the Russian budget would make it impossible for Russia to get out of its crisis. It would require billions of dollars in subsidies, trillions of rubles. If Russia is going to give subsidies, then there should be some weighty reasons for doing this, in particular, possible concessions on other issues. [end recording]

[Fateyev] The deputy prime minister touched on the question of Russia's foreign debt. He noted that Russia had managed to get Western creditors to introduce a non-standard scheme for paying our debts for 1993. As a result, instead of the earlier proposed $13 billion, Russia will pay only half as much. [Presenter T. Komarova] Let me note that the debts of foreign states on state credits to the former Soviet Union amount to $144 billion. Compare this with the fact that we owe $75 billion. We are not managing to call in debts or to pay them.

Terms Gas Charges 'Excessive'

OW1702211593 Moscow INTERFAX in English 1931 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Russia may offer western gas consumers to negotiate directly with Kiev about the payment for Russian gas shipments through Ukrainian territory, Deputy Prime Minister Aleksandr Shokhin said on Wednesday [17 February] commenting on the Ukrainian government's decision to transfer to world tariffs for gas shipment via the country's territory.

Shokhin described as excessive Kiev-set tariffs of $ 3 per 1,000 cubic meters of gas per a 100 kilometer distance compared to intonational rates of about $ 1,4.

The Deputy Prime Minister said the issue of Russian gas prices was the subject of recent bilateral talks in Moscow adding that Kiev had rejected Moscow's offer for part of shares of the gas pipeline to Western Europe via Ukraine to be sold to Russia's Gasprom in return for cheaper gas imports from Russia.

Russia's decision to sell its gas at an average world price of $ 85 per 1,000 cubic meters was retaliated by Kiev's own decision to increase transit costs through Ukrainian territory.

Shokhin also said that Yeltsin's decree declaring Russia's right to the former Soviet Union's foreign assets was aimed at protecting the property against any unlawful claims. Ukraine may entitled to part of the ex-Soviet Union's assets abroad if it agrees to pay its own share of foreign debt, he said.

Foreign Ministry Official on Talks in India

LD1702214093 Moscow ITAR-TASS in English 2036 GMT 17 Feb 93

[By ITAR-TASS correspondent Sergey Karmalito]

[Text] Delhi February 17 TASS—Representatives of the Foreign Ministries of Russia and India held consultations in Delhi on the issues of interaction between the two countries within the framework of the United Nations and other international organisations.

A sincere and practical dialogue between the Russian and Indian sides has marked a concrete step in the implementation of the bilateral agreements reached during the recent visit to India of President Boris Yeltsin of Russia, Sergey Lavrov, deputy foreign minister of Russia, told ITAR-TASS commenting on the results of the consultations held. Both sides have confirmed their interest in coordination of their joint actions on a number of important aspects of international life and participation in the settlement of vital problems of world policy, the Russian diplomat pointed out.

According to Sergey Lavrov, the exchange of views showed that Russia and India have many common interests, including such spheres as the U.N. activities, disarmament, economies, protection of human rights, including those of national minorities in the field of culture, religion and languages.

At the same time, the consultations have revealed some differences in the positions of the two sides, specifically, on the problem of the non-proliferation of nuclear weapons. The participants of the consultations have agreed to continue discussions at expert level. "It is

evident that our governments are seeking to do everything possible to prevent the proliferation of nuclear weapons," Sergey Lavrov stressed.

Shakhray, ROK Ambassador Discuss Status of Koreans

LD1702222493 Moscow ITAR-TASS in English 2141 GMT 17 Feb 93

[Text] Moscow February 18 TASS—Sergey Shakhray, chairman of the State National Policy Committee of the Russian Federation, received Hong Sun-yong, the ambassador of South Korea to Russia. According to a report issued by the secretariat of Sergey Shakhray, they discussed the question concerning the status of Koreans in Russia and other republics of the former Soviet Union.

The Korean ambassador declared about his country's readiness to establish close cooperation with the Russian State National Policy Committee on questions concerning national and cultural revival of ethnic Koreans in Russia.

His Excellency Hong Sun-yong emphasized that it does not concern the creation of a territorial Korean autonomy, but the restoration of cultural traditions and broadening economic cooperation. The Korean side expressed its readiness to provide humanitarian aid to refugees who arrived in Russia from republics of Central Asia, primarily from Tajikistan.

Sergey Shakhray informed the South Korean ambassador of the principles of Russia's national policy, elaborated on the concrete steps taken by the Russian Government to ensure conditions for the national and cultural revival of Koreans living in Russia.

It was noted that the adoption of a separate bill by the Russian Supreme Soviet to abolish repressive acts against ethnic Koreans will facilitate their final and complete rehablitation.

Russia-EC Cooperation Talks Open in Brussels

LD1702203293 Moscow ITAR-TASS in English 2012 GMT 17 Feb 93

[By ITAR-TASS correspondent Valeriy Shashkov]

[Text] Brussels February 17 TASS—The regular third round of talks on the conclusion of an agreement on cooperation and partnership between the European Community and Russia opened at the EC headquarters in Brussels today.

In accordance with the decision of the community council, such agreements should be concluded with all former Soviet republics, instead of a trade and trading cooperation agreement which was signed several years ago with the now defunct USSR.

Russia is the first among the new commonwealth member independent countries with which concrete talks had begun in the autumn of 1992.

Both sides are of the view that the new agreement should be of much larger scale than the previous treaty, and it should reflect the new situation which emerged in Europe, and particularly in Russia as a result of reforms that are being carried out there.

Gerashchenko Proposes Debt Payment by Property Transfer

OW1702152093 Moscow INTERFAX in English 1508 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Viktor Gerashchenko, the head of the Central Bank of Russia, has announced that the debt outstanding to Russia by former Soviet republics totalled 1 trillion 200 billion rubles as of January 1, 1993.

Speaking in Tomsk Wednesday he added that Russian enterprises still owed their partners "in neighboring countries" 550 billion rubles. This debt would have to be settled very shortly by, among other methods, bank loans, Gerashchenko said.

The debts outstanding to Russia should, Gerashchenko said, be converted into property on the territories of the states concerned, this property to belong thereafter to Russia. One example suggested was enterprises in these republics.

Gerashchenko confirmed the banks' readiness to review interest rates for centralized credit. Earlier he told INTERFAX that these could be raised to 100% instead of the current 80%.

Vice Prime Minister on Debt Repayment Schedule

LD1702200293 Moscow ITAR-TASS in English 1841 GMT 17 Feb 93

[By ITAR-TASS correspondent Aleksandr Krasulin]

[Text] Moscow February 17 TASS—Russia will repay 2.5 billion dollars of credits it got in 1992. Russian Vice-Premier Aleksandr Shokhin told a news conference here today. This is the maximum amount Russia can repay without considerable cuts in its fuel and energy supplies to former Soviet republics, which, if further pressed by the Paris Club members and other financial partners, it will have to sell to other buyers for hard currency.

In 1993, Russia is planning to pay a total of 6.4 billion dollars to cover its rescheduled external debts, while the standard repayments, with no account taken of the present difficult economic situation, would have called for 13 billion dollars.

Aleksandr Shokhin said further concessions could be secured and the amounts to be paid further cut, if Russia succeeded in settling its relations with Ukraine concerning the former Soviet Union's external debts.

Differences also exist between these two countries concerning the transit rates for the export of Russian natural gas to the West via Ukraine. Ukraine claims 2.8 U.S. dollars for each 1,000 cubic meters of gas per 100 kilometers, with the present world prices at 1.5 dollars.

Touching upon negotiations with Ukraine on the price of Russian natural gas supplied to that republic, Aleksandr Shokhin said the negotiations have yielded no result.

Along with this, the Russian vice premier expressed confidence that Russia will succeed in adjusting relations with Ukraine and signing the agreement on the repayment of external debts, as well as dividing the former Soviet assets in other countries.

Central Bank Chief on 'Tougher' Policy With Neighbors

LD1702190193 Moscow Russian Television Network in Russian 1700 GMT 17 Feb 93

[From the "Vesti" program]

[Text] Russia will pursue a tougher policy toward its neighbors—the former Soviet republics—Central Bank Chairman Viktor Gerashchenko stated today. He reported that on 1 January 1993, the debt of the former union republics to Russia exceeded 1 trillion rubles. Despite this, Gerashchenko believes that Russia should not give up supplying goods to former union republics as these deliveries are important to the economy of the country itself.

Statute on Russia's CIS Cooperation Body Approved

PM1502153193 Moscow ROSSIYSKAYA GAZETA in Russian 10 Feb 93 First Edition p 7

[Unattributed report under "Official News" rubric and general headline: "Decrees, Directives"]

[Text] The Russian Government has approved the Statute on the Russian Federation State Committee for Economic Cooperation With the Member States of the Commonwealth.

This committee is the central organ of federal executive power and exercises the intersectoral regulation of economic cooperation with CIS countries on the basis of collegiality.

The Russian state committee for cooperation elaborates the strategy for economic cooperation with CIS states and takes measures to implement it; it also coordinates the activity of the central organs of federal executive power in the conclusion, execution, and denunciation of Russia's treaties on economic cooperation with CIS countries and republics of the former USSR not belonging to the CIS while ensuring the protection of Russia's economic interests.

Political Issues

Yeltsin Press Service Report on Khasbulatov Meeting

PM1802091793 Moscow IZVESTIYA in Russian 18 Feb 93 p 1

[Unattributed report: "Boris Yeltsin and Ruslan Khasbulatov Try To Elaborate Constitutional Agreement"]

[Text] The Russian Federation president's press secretary has issued a report which says: "A meeting between Russian Federation President Boris Yeltsin and Supreme Soviet Chairman Ruslan Khasbulatov was held in the Kremlin today, 16 February 1993. Further work to elaborate a constitutional agreement will be continued by a working party, which is to complete the preparation of the text within 10 days. It was agreed that drafts of the agreement 'On coordinated actions by the federal organs of executive and legislative power to stabilize the constitutional system and overcome the country's economic crisis' will be exchanged tomorrow, 17 February.

"During the conversation the Russian president put forward the initiative of convening an extraordinary congress of people's deputies with a single item on the agenda—ratification of the agreement. In Yeltsin's opinion, the congress could be assembled in the first 10 days of March. Here the president stressed that, until the agreement is endorsed, the executive power will be carrying out active preparation for the referendum. In view of the fact that the Supreme Soviet is delaying preparation of the referendum questions, the president's proposed wordings for the referendum paper will be published en bloc in the next few days. Yeltsin has given his assent to the publication of the presidential version of the draft agreement.

"At the end of the meeting, which lasted 20 minutes, Yeltsin made clear that preparation of the agreement should be based on the understanding that what is involved is an agreement between the president and the Supreme Soviet as the standing organ of the congress.

"The makeup of the working party will be determined by midday 17 February. V. F. Shumeyko will be the leader of the working party on the president's behalf and N.T. Ryabov on the Supreme Soviet's behalf."

K. Zlobin, leader of the Russian Supreme Soviet chairman's press service, reported that the meeting between Russian President Yeltsin and Russian Supreme Soviet Chairman Khasbulatov was short and was held in a "good, constructive atmosphere."

Boris Yeltsin and Ruslan Khasbulatov also broached the problem of the referendum on the basic provisions of the new Constitution scheduled for April. The leaders of the executive and legislative branches of power did not reject the idea of a referendum, a decision on the holding of which was made by the Seventh Congress of People's Deputies of the Russian Federation. However, both of them expressed concern over its possible results.

Shakhray Offers Solution to Yeltsin-Parliament Struggle

PM1702131593 Moscow ROSSIYSKIYE VESTI in Russian 17 Feb 93 p 1

[Roza Sergaziyeva report: "Sergey Shakhray: Do You Want the Constitutional Agreement? Prepare for the Referendum"]

[Text] In Sergey Shakhray's opinion, the procedure for signing the constitutional agreement can evolve as follows. The Supreme Soviet chairman must receive from parliament powers to conclude the constitutional agreement in a separate Supreme Soviet decree. Now as to the substance. Sergey Shakhray is sure that the Russian Federation president can and must raise the question of the Supreme Soviet's renunciation of executive-administrative functions and also of interference in the executive power's prerogative. In just the same way as the management of federal state property is the prerogative of the government, not of the Supreme Soviet.

The most important condition of the constitutional agreement must be renunciation of the new constitution's adoption by the present corps of deputies. It is not a question of whether deputies are good or bad, Sergey Shakhray emphasized. There is a principle as old as the world: You cannot be a judge in your own case. Who can adopt the new constitution? Either the new corps of deputies or the actual Constitutional Assembly, which Russia's citizens must form.

After the first stage has been completed, when the agreement has been signed, the second stage will begin: The president and the chairman submit a written petition to the Constitutional Court, which passes a written decree which will include the main purport of the constitutional agreement. A decree of the Constitutional Court possesses the highest juridical force and cannot be appealed against, and its decision is final and has to be carried out by all official organs and citizens.

"Such a scheme," the vice premier said, "is irreproachable in the legal respect and makes it possible to achieve the necessary balance of powers without cataclysms, referenda, or congresses. The subjects of the Russian Federation—the republics, krays, and oblasts—will guarantee compliance with the constitutional agreement."

Shakhray on Principles of Draft Constitutional Accord

LD1702182393 Moscow ITAR-TASS in English 1702 GMT 17 Feb 93

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow February 17 TASS—Russian Vice Premier Sergey Shakhray, a member of the working group in

charge of drafting an agreement between the executive and legislative branches of power, told a news conference here today about the principles proposed by the presidential team as the basis of the draft constitutional accord.

He said the proposal boiled down to the declaration of 1993 as a year of the economy and letting the government act at its own discretion in implementing measures to pull the country out of the crisis.

The presidential version of the agreement provides for both sides—the executive and the legislative—to pledge not to interfere with the government's economic and administrative actions.

According to Shakhray, the presidential draft agreement contains a provision to the effect that the present deputy corps should not adopt the constitution of Russia, as society must be insured against a situation in which the text of the fundamental law is made dependent on political leanings of different groups. The draft agreement proposes to adopt the constitution either through a referendum or a specially convened constitutional assembly.

The draft agreement can be given legal status either with the help of its ratification by an extraordinary congress of people's deputies or by resolution of the Constitutional Court. The Constitutional Court and the republics within the Russian Federation can then act as the guarantors of compliance with the agreement.

Should any of the sides fail to fulfill its obligations, the president shall have to resign or the parliament be dismissed.

Further Comment

OW1702200593 Moscow INTERFAX in English 1930 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Russian Vice Premier Sergey Shakhray feels that in the constitutional agreement reached between the president and the deputy corps the parties could have unilaterally declined certain powers or suspended them temporarily. He announced this Wednesday at a press conference in Moscow. He believes that the Supreme Soviet could have pledged not to interfere in the cabinet's operative activities, and the president, in turn, could have promised "not to interfere with petty tutelage in the businesslike activities of the Council of Ministers." This, the vice premier feels, would leave the cabinet free to work and "lead the two branches of power away from power struggles." Shakhray feels the constitutional agreement could have stipulated that the parties pledge not to take legislative initiatives to amend the constitution. The vice premier said that the country's new founding law could be adopted either by referendum or by a constitutional assembly.

The constitutional agreement, Shakhray said, should include a mechanism for guaranteeing that agreements made are fulfilled. He said the document could be given a legal basis either by ratification from the Russian Congress of People's Deputies, which could convene for one day to do so, or by a Constitutional Court resolution. However, the vice premier pointed out, "We can't ignore the fact that parliament forms the judge corps, defines their powers, and determines their salaries. Therefore, it is difficult for the Constitutional Court to be an arbiter in the conflict between the Supreme Soviet and the president." Shakhray also indicated that the proposals he made were incorporated into the draft of the constitutional agreement prepared by the president's working group. He said that the document, with consideration for the president's changes, will be given to representatives from parliament's working group today for approval.

The president's working group includes five people: First Vice Premier Vladimir Shumeyko, head of the presidential administration Sergey Filatov, Vice Premier Sergey Shakhray, Presidential Representative to the Supreme Soviet Anatoliy Sliva, and Doctor of Law Tumanov.

[Moscow INTERFAX in English at 1257 GMT on 17 February adds the following:

["The exchange of variants of the Constitutional agreement prepared by representatives of both the president and parliament speaker takes place Wednesday, Vice-Prime Minister Sergey Shakhray told journalists in the House of Russian Councils. Shakhray said that the working group set up to draft the agreed variant of the agreement within ten days was not identical in composition to the constitutional commission which functioned during the Congress of People's Deputies. The present group consists of five representatives of the president and five for parliament.

["Regarding the referendum, Shakhray stressed that 'it would be a very good thing' if executive power in the form of the president and legislative power in the form of parliament and the congress were able to settle their dispute without resorting to a plebiscite. However, if this does not occur, he continued, then a 'referendum, early elections and any other political methods' must be used to solve these problems.

["Shakhray said that the president's idea to convene the Congress of People's Deputies during the first ten days of March would soon be put into writing and submitted to parliament. The Russian Constitution says that parliament may not decline a request by the president to call the congress.

["The Russian vice-premier stressed that preparations for the referendum would still continue until the Constitutional Agreement was signed and that the president's suggestions for the main provisions of the new Constitution to be included in the referendum would be published shortly."]

Zorkin's Stance on Referendum Issue Eyed

PM1602151793 Moscow ROSSIYSKIYE VESTI in Russian 13 Feb 93 p 1

[Andrey Kolesnikov article: "In Search of Rapprochement Formula"]

[Text] To venture on a quest. To find a formula for concord. To arrive at it. But will it not be too late then? Will it not become clear that precisely a referendum was the only means of resolving the constitutional crisis?

Mysterious things are happening on the Russian political Olympus. Having barely adopted one decision and publicly called it a panacea against all ills, just one month later the power unblushingly declares that it was inferior. A little later those who adopted the fateful decision are ready to repudiate it juridically. The decree of the Seventh Congress of People's Deputies "On Stabilizing the Constitutional System of the Russian Federation" has been renounced by all who adopted and signed it, with the exception of the president, pressure on whom has reached such a pitch that the likelihood of holding a referendum is becoming increasingly doubtful.

When the chairman of the Constitutional Court proposed imposing a moratorium on the introduction of the new constitution until the powers of both the Congress and the president expire, and then the heads of 18 of the 20 republics, with the exception of Mordovia and Chuvashia, announced their refusal to hold the referendum, the president and the referendum's supporters found themselves in an extremely unfavorable situation. Now, after the two branches of power, the parties to and signatories ["podpisanty"] of the constitutional agreement, mounted a massive attack on their own decision at the last Congress, not even those who were intending to do so will go to the ballot boxes on referendum day. Carried away with the struggle for power, our "two-headed" top legislative organs fail to notice that they are fighting phantoms in airless space, high above the earth, and that the voters, to whom they so like to appeal, long since gave them up as a bad job and are not interested in what is happening in the distant political heavens.

Whereas for the legislative power the referendum and the struggle to have it canceled have become an object of political speculation, you can sense in Valeriy Zorkin's position a sincere concern at Russia's fate. But, strictly speaking, it was he who messed up the referendum and, paradoxical though this may seem, by virtue of his own considerable authority. If the Constitutional Court chairman insists on postponing the referendum owing to the complex situation in Russia (when has it been simple?), many people really do believe that this is what should be done: The degree of trust in the head of the "third" power on the part both of the powers and of the people is too great.

In Zorkin's opinion, the situation in December was more stable than in the first months of the new year—there was no hyperinflation. The significance of this factor should not be underestimated, but it should hardly be exaggerated either. Politics and economics in Russia are more interconnected than anywhere else on the planet. And yet this is precisely why stabilization of the economic situation depends to a great degree on political stabilization. But let us venture to disagree with Valeriy Zorkin, for the constitution is a stabilizing factor in any circumstances, and all the more so in circumstances when the braking of the constitutional process merely prolongs the confrontation between the powers, thereby exacerbating the political crisis. The longer the constitutional process drags on, the greater will be the likelihood of adopting a "Sovietized" constitution.

In his 8 February conversation with Radio Liberty's Washington commentators Dina Kaminskaya and Konstantin Simes [names as transliterated], Valeriy Zorkin conjectured that the notorious Article 104 of the existing constitution, which unjustifiably extends the powers of the Congress, should be interpreted in "systemic unity" with the norm enshrining the principle of the separation of powers. But it is not quite clear what the purpose of this "systemic unity" is, if one article, in point of fact, contradicts another and even cancels it. In the hierarchy of norms, according to Zorkin, the principle of the separation of powers is higher than Article 104. But, first, all the norms of the constitution are of equal significance and, second, the Congress will hardly agree to this kind of interpretation of the hierarchy of articles of the Fundamental Law. In addition, nonetheless, Valeriy Zorkin essentially took a propresidential stand by advocating the dissolution of the Congress of People's Deputies, and for the "intransigent" majority of this legislative organ such a statement turns him from an impartial referee into a man of the "president's party."

In his conversation with Kaminskaya and Simes, Valeriy Zorkin pointed out: "The Constitutional Court is also in favor of not turning rejection of the referendum into an end in itself." In other words, the chairman of the Constitutional Court called for a search for a new, more sound formula of the powers' constitutional agreement. But where is the guarantee that such a formula and form will be found? Who can confidently state that the idea of the referendum in its "original" form, not distorted by the legislative power's political speculation, was not truly salutary? For it could come to light some time later that precisely the referendum was the only means of overcoming the deadlock in the constitutional process and achieving concord in the state and in society. But then it will be too late: Hyperinflation will escalate into superinflation, and the Congress, disregarding the opinion of the "third" power, will make short work of the executive power. There is still time to reach a compromise. Once again hopes of reconciliation in the Russian "upper echelons" are being pinned on the name of Valeriy Zorkin. For the time being his opinion is still taken into account....

Conference of 72 Parties Votes for Referendum

OW1502211593 Moscow INTERFAX in English 1915 GMT 15 Feb 93

[Following item transmitted via KYODO]

[Text] A consultative conference of 72 parties and organizations, which took place at the Moscow Mayor's office on Monday [15 February], voted in support of a referendum in April. The conference was attended by members of the "Democratic Russia" movement, Russian Movement of Democratic Reforms, "Democratic Choice" bloc and a number of other organizations, which refused to recognize the "round table" of political forces, held at the initiative of the Russian parliament's presidium on the same day.

People's deputies of the Russian Federation Marina Saliye and Pyotr Filippov have said on the conference's behalf the delegates arrived at the following conclusion: the question central to the referendum should be that of confidence in the congress of people's deputies and its "exclusive right to adopt a new Constitution".

Almost all participants in the conference agreed that for the adoption of a new constitution a constituent assembly must be convened. Besides, the referendum should also find an answer to the question on the private ownership of land.

The consultative conference urged all public and political organizations to start negotiations and consultations to formulate the principles on which to establish and arrange for the work of a full-fledged "round-table" conference.

Yeltsin's Representatives Vote in Support of Referendum

MK1702141693 Moscow KOMMERSANT-DAILY in Russian 17 Feb 93 p 3

[Veronika Kutsyllo report: "President's Representatives Favor Holding Referendum"]

[Text] The president's representatives in the provinces met behind closed doors in the Kremlin on 16 February to discuss, according to official information, "internal questions." According to information obtained by KOMMERSANT-DAILY, however, one of the topics discussed was the tasks of the president's representatives in preparing for the April referendum.

KOMMERSANT-DAILY observers believe that the main task of the conference was to ascertain the mood of the president's representatives on the eve of the referendum. The gathering was addressed by Sergey Shakhray, who presented his view of a constitutional accord that would be acceptable to the president, and Mikhail Poltoranin, who called for preparations for the referendum to be stepped up. A poll preceding the conference confirmed the commitment by the overwhelming majority of the president's representatives to Boris Yeltsin's political line: 84 percent of the conference participants, who represented more than 50 regions, declared that they favored holding the referendum; 14 percent were against; and 2 percent were undecided. Thus, if the referendum does take place, Yeltsin can confidently count on the loyalty of his representatives.

The official reason for calling the meeting was the change in the representatives' status that resulted from Boris Yeltsin's 5 February edict "On the President's Representatives in Krays, Oblasts, the Autonomous Oblast, Autonomous Okrugs, and the Cities of Moscow and St. Petersburg. Under the edict, direct control of president's representatives was to pass from the State Legal Directorate to an organization that had not previously existed—the Directorate of the President's Administration for Work with Territories and the President's Representatives, and for Relations with the Russian Supreme Soviet.

The conference also discussed money matters, which had become pressing following the refusal by the Russian Supreme Soviet to finance "the president's men" from the federal budget. Presidential administration chief Sergey Filatov assured the alarmed representatives that there would be no problem in them.

Gorbachev To 'Take Part in' Presidential Election

LD1702141793 Moscow Mayak Radio Network in Russian 1320 GMT 17 Feb 93

[Text] Dmitriy Ragozin, cochairman of the Union of Russia's Revival, has told an observer of the weekly MEGAPOLIS EKPRESS that Mikhail Gorbachev recently conducted a discussion in his foundation on the theme: What are a referendum and the Constituent Assembly, and how should one treat them? Ragozin, one of a small circle of people who were invited, claims that Gorbachev mentioned in passing that if presidential elections are held he will take part in them. As a politician, he would not be able to distance himself from that event.

More on Presidential Representatives' Meeting

PM1802092793 Moscow IZVESTIYA in Russian 18 Feb 93 p 1

[Interview with Vyacheslav Volkov, deputy leader of the president's administration, by correspondent Vasiliy Kononenko in Moscow on 16 February: "Most Russians Will Support the President in the Event of a Referendum"—first paragraph is introduction]

[Text] A working conference of the president's representatives in Russia's oblasts and krays and the cities of Moscow and St. Petersburg was held in the Kremlin 16 February. The conference was held in private. At its close your IZVESTIYA correspondent asked Vyacheslav Volkov, deputy leader of the president's administration, to describe the content and results of the meeting. Vyacheslav Vasilyevich was appointed to the post by

presidential edict not so long ago. In the past he worked for a long time in Murmansk Oblast and was employed, prior to his election as a people's deputy of the Russian Federation, within the system of the State Housing Acceptance Commission. He has a higher education and is coordinator of the bloc of democratic factions in the Russian parliament. This is what he said regarding the conference.

[Volkov] Its agenda might conventionally be summed up as follows: The tasks involved in the activity of the president's representatives in accordance with the decree of 5 February 1993 and the new statute on this institution of power. Under these documents the functions of the president's representatives change, switching from monitoring functions to purely political ones. In other words, they should henceforth concentrate their activity on putting the president's line, his decrees and directives, into practice at local level, while collaborating, of course, with the heads of administration, local soviets, and public organizations.

However, the main topic of discussion was, naturally, the question of the referendum. S. Shakhray, deputy chairman of the referendum commission, and M. Poltoranin, leader of the Federal Information Center, provided information on and analysis of the political situation in the country.

A questionnaire put to its participants was an important feature of the conference. The questions on the questionnaire and the answers received were as follows.

Do you think a referendum is necessary? Eighty-four percent answered "yes," 14 percent "no," and 2 percent or, given the number of conference participants, one person was a "don't know."

If the referendum is held, do you think that more than 50 percent of citizens entitled to vote will take part? Seventy percent said "yes," 14 percent "no," and 16 percent (polls were not carried out at local level) were "don't knows."

Whom will the population of your region support to the greater extent? Eighty-nine percent said "the president," eleven percent did not give a definite answer.

What is the attitude of the local organs of power to the referendum?

As far as local soviets are concerned—20 percent support the idea, 78 percent do not support it, and 2 percent are "don't knows."

As far as the heads of administration are concerned—52 percent firmly support the referendum, 46 percent do not support it, and 2 percent have not made up their minds. I regard the results of the questionnaire as very important. Above all, we have for the first time data on Russians' attitude to such a vital issue. Their reliability is determined by the fact that the president's representatives carried out a study of the attitude of the people in their region just prior to the conference and they approached the answers in a well-considered way, expressing an independent viewpoint. Second, the president's representatives keep in constant touch with public organizations and the population.

As we can see, the viewpoint that the referendum is essential dominated. Naturally, the conference participants asked that the president be told to ensure that he expresses as quickly as possible his own final decision on holding the referendum and publishes the questions which are to be put to the nationwide vote.

[Kononenko] Vyacheslav Vasilyevich, a powerful attack on the president's "vice-regents" was observable at a recent conference of heads of administration. They were the targets of a host of charges that they are in no way accountable and that the institution is altogether unnecessary. Was this issue raised at the meeting of the president's representatives?

[Volkov] I would like to clarify the nub of the dispute or irritation on the heads of administration's side, if you will. It resides in a paragraph of the new statute on the institution regulating its powers. Paragraph C says that the president's representatives coordinate the activity of the agencies of federal organs of power at local level. In my view, it is correctly worded. The point is that the heads of administration would very much like to have all federal agencies subordinate to them on the pretext of pursuing a uniform policy.

Alas, in any state, in addition to municipal organs, which naturally should be under the jurisdiction of the heads of administration, federal services, which are obliged to pursue the policy of central power, also operate everywhere. These include the tax inspectorate, the committees of the State Committee for the Management of State Property, the State Committee for Sanitary and Epidemiological Inspection, and so forth. Their activity can be coordinated only by the president's representatives, since the heads of local administrations are, objectively speaking, always inclined in favor of their own region's interests and seek to free themselves of any "diktat". But an effective vertical axis of power and the existence of the federation as an integrated state are impossible without a strong federal policy. Otherwise you will have a confederation. Within the framework of the Federation Treaty the president's representatives are simply obliged to uphold the interests of the whole of society at local level. That is my firm opinion.

Activities of Russian National Legion Reported

LD1702215293 Moscow Radio Rossii Network in Russian 2000 GMT 17 Feb 93

[Passages within quotation marks are recorded]

[Text] The office of the Russian public prosecutor has warned the Russian National Legion on the illegality of its actions. In response to this, the chairman of the central council of the National Republican Party of Russia has proposed that the Russian procurator general

become the guarantor of the Russian Legion when it registers with the Ministry of Justice. Here are some details from our special correspondent, Georgiy Saftsov.

[Saftsov] In the words of Nikolay Lysenko, chairman of the central council of the National Republican Party of Russia, one of the Russian procuator's main grounds for caution is the fact that the Russian National Legion is recruiting volunteers to send to trouble spots. The leader of the party obviously does not agree with this.

[Lysenko] "There is no law in this country about recruitment, in fact the legal concept of recruitment does not exist. So what is the point? If the point is that some group of volunteers has gone to assist its blood brothers in the Dniester region, or has gone to help the friendly people in South Ossetia, then what is criminal about that? What is illegal about that? It is well known that if something is not forbidden then it is permitted, and the procurator general should be aware of this in the first place."

[Saftsov] Nikolay Lysenko also confirmed that since 21 October last year, the Russian National Legion has been an independent organization pursuing strictly military-sporting goals. But for the sake of appearance and discipline, it has some sets of military uniforms. Sergey (?Maltsev), a commander of the Legion, was more frank and he explained the situation regarding recruitment.

[(?Maltsev)] "Members of the Russian National Legion really have taken part in military action in South Ossetia—in Tskhinvali and in the Dniester region. This action had a purpose and was organized. Members of the Russian National Legion, like any Russian citizen, have the right to go where they wish in the first place."

[Saftsov] It later became clear that there are even 18 legionnaires in Yugoslavia, although it is true to say that the leadership only helped them as far as the border. In all seriousness, I am sure, Nikolay Nikolaevich Lysenko, the leader of the party uttered the following phrase.

[Lysenko] "We propose that the procurator-general act as guarantor when the Russian National Legion registers with the Russian Ministry of Justice."

[Saftsov] One thing is clear. Until a law about mercenaries is adopted, some military-sporting units will call themselves expeditionary detachments outside the boundaries of the Russian Federation. This is Georgiy Saftsov for the Russia's Radio news service.

Rutskoy: Possibility of Military Coup 'Ruled Out'

OW1702181093 Moscow INTERFAX in English 1721 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Russian Vice President Aleksandr Rutskoy has expressed the view that the possibility of a military coup taking place had now been "fully ruled out." He said, however, that the threat of "relations inside the country being clarified" [as received] did exist.

At a meeting with the editorial staff of the "PODMOSKOVNYE IZVESTIYA" newspaper Wednesday, Rutskoy said that the reform plan pursued by President Yeltsin had been "absolutely correct," but that his popularity with the nation was waning. He said that this was due to "people working behind his back acting unlawfully." He said that these people had "wrecked the positive idea of privatization" which had left small and medium manufacturing businesses virtually untouched.

"We have created ideal conditions for representatives of the black economy [market] and middle men who launder stolen money and invest this in real estate," the vice president declared. The "voucherization" of the country was, in Rutskoy's view, immoral, since privatization vouchers are of no value to ordinary citizens.

Rutskoy said that the government's efforts in the field of agriculture "had catapulted stock-raising 12 years back in time." If this were to continue, the situation in the agrarian sector could become "irreversible." "Fortunately," he commented, "the government has begun to realize this."

Chubays Seeks Army Support on Privatization

MK1802100193 Moscow NEZAVISIMAYA GAZETA in Russian 18 Feb 93 p 1

[Ivan Rodin report: "Government 'Sends in the Troops' Against Parliament. They Are To Help Wreck the 'Fourth Option' for Privatization"]

[Text] The army will not use weapons. Its task is only to rattle the sabers in order to persuade the Supreme Soviet, in the discussion of the state privatization program which is due to begin today, not to approve the so-called "fourth option" for issuing shares in state enterprises. This was hinted not at all subtly by Anatoliy Chubays, vice premier and chairman of the State Committee for the Management of State Property, who met Tuesday evening with the "Army Reform" deputies' group (leader Vitaliy Urazhtsev) and a number of other social organizations close to army circles. They included some fairly large-scale ones—for instance, the Union of Reserve Officers, the Union of Armed Forces Veterans, and others.

Anatoliy Chubays explained in a few words the essence of the "fourth option" or, in other words, the priority right of labor collectives (meaning their bosses) to ownership of their enterprises. It is proposed that the enterprises would be bought out, without the use of vouchers, at residual value (which is 15-20 times lower than the current market price), out of current profit, in installments over five years. In short, virtually for nothing, in the minister's view. Thus 80-90 percent of the property is being taken out of the sphere of operation of the privatization checks of the vast majority of Russia's population. "The people who will be let down are those who are finding things most difficult right now," Mr. Chubays stated. He included in this category pensioners, invalids,

students, doctors, teachers, workers in the budget-funded sectors in general, and, of course, militiamen, chekists, and servicemen.

Incidentally, Anatoliy Chubays believes that the main reason for the relentless pushing of the "fourth option" is not to be found in the sphere of economic interests. In his view, "the main aim of those who formulated this option, by means of which, under cover of pseudoscientific economics, they hope to destroy the privatization process," is to destabilize the sociopolitical situation in the country. Naturally, the implementation of the "fourth option" would mercilessly rob the officers, who are already somewhat excluded from the general process of voucherization, the privatization minister stressed. And although nobody spoke in so many words about the threat of an army mutiny, both sides participating in the meeting concertedly implied that that is what the Supreme Soviet should reflect upon. In the course of the meeting Mr. Chubays went out of his way to demonstrate the desire of the government and the president not to permit property discrimination against officers, calling on them, almost in so many words, to put pressure on the right quarters in exchange. When, for instance, one speaker proposed that a package of servicemen's desiderata on how they should participate in the share-out of state property should be compiled and submitted to the State Committee for the Management of State Property within 7-10 days, Anatoliy Chubays agreed. He expressed the fear, however, that maybe in only a couple of days there will be nothing to share out, because the labor collectives will be given the priority right to privatization of their property. "You have a tough task: to organize your reaction within 48 hours," the minister observed.

By way of an advance, the military are offered a presidential edict, the draft of which will be finalized by Friday. Dmitriy Vasilyev,one of Anatoliy Chubays' deputies, who will now be in constant contact with the servicemen's social organizations, spoke about its content. It is proposed that a proportion of state property (rural construction organizations, the military-industrial complex, and so forth) will be specially assigned to cover officers' vouchers; the ban prohibiting servicemen, like civil servants, from participating in general check auctions will be lifted; a proportion of military property (provisionally, 5-10 percent) will be sold at closed check auctions to former and serving officers; and a special commission of representatives of the State Committee for the Management of State Property, the Defense Ministry, the internal Affairs Ministry, and the Security Ministry will help check investment funds to become more widely accessible to the vouchers of soldiers in general. As for the first section of the edict—on allocating a specific proportion of property for the military—Anatoliy Chubays stated that this is a departure from the principles of equal access for everyone to all property, but it is a deliberate departure. Apparently it was decided, on the eve of an impassioned discussion in parliament of the state privatization program, to waive principles somewhat.

The cabinet is facing up to the parliamentary battles in a united front—Anatoliy Chubays refuted rumors of intragovernmental disagreements about the "fourth option" for share issues.

An appeal from the "Army Reform" deputies' group and the Russian Union of Officers to the parliament session was circulated at the Supreme Soviet yesterday. It proposes that the Supreme Soviet drop the discussion of the question of the fourth privatization option. Thus the military kept their promise to Vice Premier Anatoliy Chubays.

Security Ministry Data on Terrorism, Countermeasures

MK1702140193 Moscow NEZAVISIMAYA GAZETA in Russian 17 Feb 93 p 6

[NG report: "Terrorist Acts in Russia"]

[Text] According to Russian Security Ministry data, in 1992 more than 240 explosions were caused, as a result of which 34 people were killed and 114 injured. Since the beginning of 1991 there have been 44 attempts to hijack aircraft.

Terrorist methods are becoming more sophisticated, the bandits are becoming better equipped, and they are adopting modern methods for committing crimes. The situation is exacerbated by the availability among the population of a considerable quantity of illegally acquired firearms (up to 1.5 million weapons, according to a Ministry of Internal Affairs estimate).

A real danger is posed by a number of foreign terrorist groupings' desire to switch their activity to Russian territory.

There is a growing danger of acts of nuclear, biological, chemical, and industrial terrorism by extremists in various parts of the country. It has become known that, with a view to ensuring reliable protection for the individual, society, and the state from terrorist actions, the Russian Federation Security Ministry is formulating additional organizational and practical measures aimed at obtaining heads-up information about terrorism, ensuring good coordination with all law-enforcement agencies when planning and conducting Russian Federation Security Ministry operations, and making widespread use of preventive measures.

New Appointments in Council of Ministers Apparatus

MK1702141293 Moscow KOMMERSANT-DAILY in Russian 17 Feb 93 p 3

[Vladislav Borodulin report: "New Appointments in the Government. Prime Minister Has Formed the Council of Ministers Apparatus"]

[Text] The reshuffle inside the Russian Council of Ministers is practically at an end. Viktor Chernomyrdin

signed a series of directives that were officially circulated on 16 February confirming the appointments of 10 heads of department in the government apparatus. KOMMERSANT-DAILY experts believe the most important appointment to be that of Valeriy Kurenkov as deputy head of the apparatus and, simultaneously, head of the general department.

In line with the statute on the Council of Ministers apparatus, the general department's duty is to ensure the efficient clerical running of the organization and the observance of confidentiality and the official secrets policy. Heading this department now is Valeriy Kurenkov, who has 15 years experience of work in the apparatus. According to Kurenkov, the main aim of his work in his new position is to painstakingly process government documents and expedite their passage through the Council of Ministers apparatus.

Valeriy Kurenkov is 51. He was born in the city of Ivanovo, where he graduated from the power engineering institute in 1964. He worked in a factory, and later in the Ivanovo gorkom and the Komsomol Central Committee. In 1978, Kurenkov moved over to the USSR Council of Ministers apparatus. Until recently, he was chief of the general department in the Russian president's administration.

Independent observers note that, with the exception of Kurenkov, all the newly appointed department chiefs did the same jobs in the Gaydar government. Their formal confirmation in office came after a fairly brief period (around two months) during which the relationship between the new premier and the more experienced members of the apparatus was being formed.

In signing the directives, Viktor Chernomyrdin has thus documented the present status quo among the middle-ranking government apparatus officials, and no further reshuffles can be expected for the time being. At the same time, observers believe, the wave of reshuffles caused by the arrival of the new head of government will naturally also sweep the lower level of experts and department staffs. Among other reasons, this will happen because many departments will be either given new functions or relieved of some of their powers.

[Report includes the following boxed text:

Appointments in the Russian Council of Ministers Apparatus:
Deputy Heads of Apparatus—Valeriy Kurenkov and Yevgeniy Orefyev;
Industry Department—Vladimir Aleshin;
Department for Monitoring the Fulfillment of Government Decisions—Vladimir Astapchenko;
Transportation Department—Valeriy Borodchenko;
Agro-Industrial Complex Department—Aleksandr Kalinin;
Science Department—Ilya Lomakin-Rumyantsev;
Finance Department—Igor Moskovskiy;
Defense Industry Department—Sergey Sidorkov;
Department of Labor, Employment, and Social Protection of the Population—Nikolay Cheshenko.]

Further on 13 Feb Regional Policy Conference

PM1702164593 Moscow ROSSIYSKIYE VESTI in Russian 16 Feb 93 p 1

[Lyubov Dunayeva and Roza Sergaziyeva report, incorporating interviews with Deputy Premiers Anatoliy Chubays and Yuriy Yarov in Moscow on 13 February: "Economic Reform Impossible Without Strong Regional Policy"]

[Text] Leaders of organs of executive power of the republics within the Russian Federation and of krays, oblasts, autonomous formations, Moscow, and St. Petersburg gathered in the Kremlin Saturday [13 February] to discuss the question of cooperation between federal and territorial organs of executive power.

Now, in the conditions of crisis in the economy, this has become the main issue. The implementation of the economic program for 1993 will depend precisely on joint efforts by the regions and the center. Viktor Chernomyrdin, chairman of the Russian Council of Ministers, declared this on addressing the opening of the conference. The prime minister emphasized that no reforms are feasible without a strong regional policy. But a strengthening of separatist processes is to be observed in the regions.

Now, in the conditions of a production slump and at a time of a crisis of power, there is just one way out—to embark without delay on shaping a clear-cut regional policy, with each region doing everything necessary to stabilize the economy.

At present the situation is really alarming: tremendous arrears in grain deliveries, an unsatisfactory situation with regard to resettlement from zones of radiation contamination, complete disruption of economic ties. This is only part of what has not been done or fulfilled and what has been underfulfilled.

Now, therefore, it is necessary primarily to draw up a federal program of comprehensive development which will take all the plans and programs of the regions into practical account and appoint responsible executors, so that there is someone who can be called to account. But at the same time, the premier emphasized, "most-favored" conditions must be created for the working person in any part of the republic. Only in this way is it possible to strengthen both the regions and the state as a whole. All efforts must be concentrated on ending the breakup of Russia.

Addressing the conference, St. Petersburg Mayor Anatoliy Sobchak criticized, above all, the position of Ruslan Khasbulatov and Valeriy Zorkin in their attitude to the referendum. As regards the heads of administrations, Anatoliy Sobchak urged them not to attend conferences organized by the Supreme Soviet. In the opinion of the mayor of St. Petersburg, they must gather only in response to an invitation from the executive power or the government.

Anatoliy Sobchak spoke of the need to grant additional rights to the regions, particularly as regards privatization. In his opinion, it is the territories that must decide on the methods of privatization. The privatization of specific projects is a matter for the territories, Anatoliy Sobchak believes. Any fundamental decisions on share flotation must be decided jointly with the regions.

In addition, Anatoliy Sobchak put forward a proposal to reward officers, city dwellers, and other worthy persons with grants of federal lands "for irreproachable service." In the mayor's opinion, it is not the settlement soviet chairman who must be in charge of land but the federal government.

"I remain a supporter of the president," Aleksandr Kovalev, head of Voronezh Oblast Administration, declared on addressing the conference. "But, while being head of the administration, I have practically no rights—I cannot even appoint or dismiss an enterprise director. If I am an administration head, give me rights." Aleksandr Kovalev called for an end to political feuding, declaring that the people perceive the government as a whole: It is the president, Khasbulatov, and Rutskoy. Just one thing worries everyone now—the economy. In order to rectify the situation, all must unite and act together, for otherwise matters cannot be put right.

"I am a little Chernomyrdin"—this was how Anatoliy Tyazhlov, chairman of the Union of Governors of Russia and head of Moscow Oblast Administration, described himself as an administrator. He emphasized that a stable society is inconceivable without a stable economy. But without vertical management by executive power there can be no question of implementing any reforms. Consequently, the issue of strong executive power is the acutest issue today. As regards the power of administrators, a great deal depends on them. Thus, by his own decision Anatoliy Tyazhlov raised the salaries of physicians and teachers in Moscow Oblast, thereby avoiding a strike. Exercising careful control over funds, he resolves many questions independently. Anatoliy Tyazhlov, for example, is responsible for the program for producing motor buses in Golitsyno jointly with Mercedes Benz.

The position of representatives of the "long corridors of power" is bewildering, however. All they do is make others answer, while being answerable for nothing. Thus, a situation is taking shape whereby we are answerable for everything but have almost no rights: Rights belong to those who are not even interested in what is going on in the oblast, Anatoliy Tyazhlov emphasized.

In a break between sessions Sergey Filatov, leader of the president's administration, summed up, as it were, all that had been said at the conference in an interview with ROSSIYSKIYE VESTI's correspondent. I am sure, he said, that if the problem of the crisis of power is not resolved, then there can be no question of implementing economic reforms. Unfortunately, the situation at present is this: The Supreme Soviet is trying to deprive the president of the possibility of resolving all the most important questions of the country's management. The desire of the Supreme Soviet's leadership to subordinate the government to itself and the regions' administration heads to the local soviets not only does not contribute to the normal progress of economic reforms but also threatens to cast the country and the people back to the times of the worst soviets of past years.

The discussion at the governors' meeting with members of the government was not pleasantly tranquil. The situation with regard to the unpaid "checks-90" was bluntly called a disgrace, which the present government will have to rectify.

The governors were disconcerted—that is putting it mildly—by the Russian president's edict on great powers for the president's representatives locally, which at once jeopardizes the powers of administration heads.

The conflict which flared at the Seventh Congress of People's Deputies has not been extinguished at regional level. Even today local soviets adopt decisions of a purely populist nature which cannot be fulfilled.

The question of the need to adopt a law on state service as soon as possible also arose, so that governors can work more efficiently, knowing that the law can also protect them in a complex situation.

The chief thing that the governors seek is to establish a clear, strong chain: a firm federal government and the freest possible local power.

Off-the-Cuff Interviews in the Lobby

Anatoliy Chubays:

[ROSSIYSKIYE VESTI] Is the "territorialization" of government policy a new wave in strategy?

[Chubays] This is something that has long been brewing, both in essence and purely juridically. What is needed now is real actions to ensure that ministries and departments transfer powers to the provinces under contract relations with members of the federation. This would seem to be clear to everyone. It is only a question of enshrining this principled clarity in specific documents.

[ROSSIYSKIYE VESTI] To what extent will your department benefit from such a policy?

[Chubays] We differ from many others precisely in the fact that we were the very first to transfer to the provinces right from the start everything that could be transferred. We simply set up local property committees and endowed them with the rights of territorial agencies, in other words rights to manage federal property on the territories. Nevertheless, I believe that we too could still take additional steps toward the territories.

Yuriy Yarov:

[ROSSIYSKIYE VESTI] What is your assessment of the report that the premier just delivered?

[Yarov] I believe that the main points which we deem necessary to introduce were concentrated in the report. Above all, it is necessary to hear everyone out and elaborate a work methodology together. If you and I say "economic reforms," we must understand that they are being carried out in specific territories. We, the government, decide policy and the forms and methods, but we get the specific result only from the territories. Accordingly, our task today is to ensure that administration heads find themselves in the sphere of the government and of the elaboration and realization of its decisions. If we cannot achieve such a thing, then it is perfectly realistic that this government will also be doomed to fail. Therefore we will take the path of the joint elaboration of policy, positions, and methods and forms of decisions.

I realize that identical methods cannot be used on different territories. Decisions of different kinds are needed. The chief thing now is that we should work more closely. We are helped in this by conferences, by meetings of the working presidium of the Union of Governors with Chernomyrdin once every two months, and by work with associations—we have eight of them—on economic and regional programs.

[ROSSIYSKIYE VESTI] Until recently you were working in the Supreme Soviet. Tell me, where are things more complex: there or in the government?

[Yarov] It is more complex here, of course. Also because I am only just getting to know this work. Apart from this, there are also certain ministries and departments of which I am in charge. It is a complex matter to understand all this at once. For now, let us say that this work is far more complex for me than my previous work.

'Extracts' From Barannikov Crime Report

MK1602112193 Moscow NEZAVISIMAYA GAZETA in Russian 16 Feb 93 pp 1-2

["Security Ministry Sounds the Alarm. Russian Encircled by Crime and Espionage. Extracts From Report Presented by Russian Federation Security Minister Viktor Barannikov at 12 February Kremlin Conference"—NEZAVISIMAYA GAZETA headline]

[Text] Organized crime in conjunction with corruption has reached such a level that it has begun to pose a real threat to state-political forms of ensuring the safety of both society as a whole and the individual.

People's outward conviction at the level of their everyday perceptions that the authorities are not performing convincingly in the struggle against spreading crime, on the one hand, and the absence of clearly visible results in the economy, on the other, are encouraging:

nonacceptance of the very historical-philosophical concept of Russian reforms;

not just the galvanization of every kind of opposition movement but the creation of what are now irrational social structures—sometimes paramilitary ones—capable of sparking off local upheavals and bringing to the fore in various regions political "caliphs to suit the moment," adventurists in the fields of politics. the shadow economy, and business. And they also include people who see the collapse of the Russian state as their main objective.

It is possible that to some people my assessment of the situation will seem drastic. But I believe that today there is a need for an exceptionally frank discussion.. A political and professional discussion alike. And as security minister this is the only assessment I can make of the information regularly received by counterintelligence and other ministry agencies. The crux of this information is that foreign special services are displaying particular interest in dealers in the shadow economy and people with authority in the world of organized crime: They are making them direct recruitment offers, creating favorable conditions for them for expanding their criminal affairs, and helping them to build relations with international criminal organizations and groups who are distributing large consignments of counterfeit currency, firearms, and drugs across Russian territory; they balk at nothing to get poisonous liquor and tobacco products and obnoxious printed and video material propagandizing the cult of violence onto the Russian market.

I would not be sinning against the truth if I was to categorize the trust of these trends as follows: first, to finally destroy Russian patriotism, which has always been a distinguishing feature and strength of Russia; and second, to promote disguised ringleaders and bosses of criminal communities to positions of command in power structures and then dictate their terms in market conditions.

The Ministry of Security already possesses reliable information about the penetration of the entourage of high-ranking Russian officials by criminal elements. A typical example which could be cited (judging by the contents of the criminal file being investigated in conjunction with the General Prosecutor's Office) is that of the president of the Interkom-Tsentr—Formula-7 concern, who has several previous convictions and committed misappropriuastion on a particularly large scale.

In 1992 federal security agencies uncovered more than 2,700 instances which can unconditionally be categorized as corruption by any standards of a rule-of-law state. This is why I have repeatedly had to publicly suggest that there is a crucial need to urgently formulate criteria to which state employees at every level should conform and also to formulate a corresponding state order for law- enforcement agencies to check out such officials. This approach is widespread in democratic countries. Such a measure would also, I believe, have another positive result.

I believe that it is no secret to anyone that the economic reform being conducted in the country is being stymied not only because of the legal mess but also as a result of

cumulative subjective factors whose objective is to protect group interests and ensure the initial accumulation of capital by individual groups to the detriment of state property.

A visit to Yekaterinburg and Tyumen in January, conversations with the leaderships of regions and major enterprises in infrastructure industries, and discussions of questions retarding the normal development of the economy made it possible to elucidate at local level imperfections promoting the commission of law violations verging on crimes in the defense and energy complexes.

One general unhealthy trend which was noted is when state bank structures allow unjustifiably long delays in the transfer of funds from consumers of output. Enterprises are thereby artificially prevented from both paying their workers and employees on time and planning investment aimed at stabilizing and expanding production. This gives rise to dissatisfaction among organs of power at all levels and creates all kinds of corrupt political clans which prey on the amorphousness of power and the obsolete legislative base. Here too the conditions are created that enable various kinds of private firms and associations to flourish, offering their services in the purchase of, say, oil for large sums in cash. In other words, the conditions for "laundering" capital obtained by middlemen.

Herein lies the most fundamental problem not only for raw materials regions, but also for the mighty industrial regions of Siberia, the North, and the Far East. From the viewpoint of the prospect of safeguarding Russia' economic security, these regions are extremely vulnerable.

Please do not number our department among the diehard conservatives. The Security Ministry is perhaps better equipped than any innovator to produce arguments to justify the inevitability of and necessity for reforms. But it must be observed that the emphasis on chaotic privatization has led in a number of cases to a crisis in the mechanisms for monitoring the utilization of state property. The responsibility for its inefficient and even self- seeking utilization has become totally indistinct.

We have identified the following among the priorities receiving close attention from organized criminal groups, economic and political speculators [aferistov], and also special services: raw materials, technology, and semifinished goods containing nuclear components.

I hereby affirm that despite various kinds of speculation on the "nuclear theme," the Security Ministry is in possession of the information and in control of the situation. False reports of the mass leak of nuclear components are inspired by people who would like to bring Russia and its potential under so-called international control, and also to reduce our competitiveness. But preventive measures are extremely necessary. We are already on the brink of seeing our control go off balance.

Organized crime is already dealing in the Russian gene pool. Healthy Russian children who have been placed in children's homes by force of circumstances have become an object of criminal international trade.

There is a "brain drain" toward criminal structures. The Security Ministry has information that in this sphere there is interest in: psychoactive pharmaceuticals; techniques of hypnosis, long-term programing of the human psyche, and contr l of the individual's behavior and condition; and the tilization for criminal purposes of individuals who pos ss extraordinary capabilities.

There is another aspect of the problem that requires full clarity. Russia has already been drawn into the sphere of unified criminal formations within the bounds of the CIS and is on the brink of becoming involved in the unified sphere of activity of organized crime in Europe and the world. I therefore resolutely support the initiative on creating a CIS interstate organ to combat organized crime. The right thing to do would be to create shared information and research systems as a priority, and at the next stage more mobile joint subunits, and possibly joint investigative [poiskovykh] subunits, and to improve coordination of operations at Russia's entry and exit points.

I have deliberately avoided giving figures characterizing the level of capability of Russia's security organs and border troops. That would take too long. And the Russian Federation Security Ministry issues such information regularly. I will only say that the number of cases actually investigated which fall within the "absolute competence" of the security organs has increased 150 percent.

Law Enforcement Agencies Urge Offensive Against Crime

MK1702105293 Moscow KOMMERSANT-DAILY in Russian 16 Feb 93 p 14

[Aleksandr Danilkin report: "Internal Affairs Ministry To Draw Up Aggressive Concept To Fight Crime]

[Text] A two-day meeting on the fight against crime and corruption held behind closed doors in Moscow ended on 13 February. It was attended by heads of administrations, officials from the Russian Internal Affairs Ministry, the procurator's office, the Russian Security Ministry, and chairmen of oblast courts. The second day of the meeting was spent primarily in the participants' own agencies.

According to unofficial reports, the meeting made no decisions that could be called historic, which confirms a prediction made earlier by Russian Procurator General Valentin Stepankov, when he told a KOMMERSANT-DAILY correspondent that the meeting was unlikely to alter drastically the course of crime fighting.

Our correspondent did, however, manage to find out what was said at the meeting on the afternoon of 12 February. According to those who took part in the meeting, the speech by Russian Internal Affairs Minister Viktor Yerin outlining the prospects for the growth of crime in the country was particularly extensive. Yerin said that the criminal world would continue to arm itself at an even faster pace and would penetrate the economy, not hesitating to go to any extremes—from taking hostages to direct armed confrontation. Yerin drew attention to yet another alarming fact: 63,000 professionals left the militia in 1992, and one in every five of them, according to his information, "went

over to the enemy." There are more than 1.5 million firearms illegally kept by the population, the minister said. All the speakers from law enforcement agencies were unanimous in saying that the current legislation is unequal to the task of fighting crime.

KOMMERSANT-DAILY learned that an extended collegium meeting was held on 13 February at the Russian Internal Affairs Ministry to discuss future operations. Vice President Aleksandr Rutskoy, who was present at the collegium, called for a counteroffensive to be launched against organized crime. Mikhail Yegorov, first deputy minister of internal affairs, suggested that an aggressive concept be drawn up. Delegates from regional branches mostly complained—of the lack of personnel, equipment, and funds.

On the same day, a collegium to discuss last year's results was held at the Security Ministry. It focused on combating terrorism. According to information disclosed at the collegium, terrorists carried out 240 explosions in 1992, killing 34 people.

Aleksandr Gurov, director of the Security Problems Scientific Research Institute, told a KOMMERSANT-DAILY correspondent that no meeting like this had ever been held in Russia or in the former USSR. According to Gurov, "the most important thing now is not to think the problem will go away simply by chattering about it."

The chiefs of the law enforcement agencies will be meeting with journalists on 16 February. KOMMERSANT-DAILY will report about these meetings the following day.

Crime rates in 1989-1992

Year	Number of murders	Number of unsolved crimes	Total number of reported crimes
1989	13,543	619,375	1,619,181
1990	15,566	782,128	1,839,451
1991	16,122	1,041,107	2,167,964
1992	23,006	1,380,526	2,760,652

Economic Issues

Yeltsin Signs Decree on Cash Registers

OW1702125193 Moscow INTERFAX in English 1142 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Russian President Boris Yeltsin has passed a decree binding all enterprises, establishments and organizations, irrespective of their property status, to handle all cash coming from the population through cash registers.

The decree says that this measure is aimed at "exercising control over the receipt of cash from the population as payment for goods and services, ensuring the timely collection of taxes and protecting consumer rights.

Control over the observance of the decree will be exercised by the leaders of local administrations.

Within a month, the government is to compile the list of enterprises, establishments and organizations which will have the right to handle cash coming from the population without using cash registers.

According to the decree, legal entities and individuals importing cash registers to Russia will be temporarily freed from customs duties.

Signs Decree on Patents, Trademarks

LD1502182793 Moscow ITAR-TASS in English 1819 GMT 15 Feb 93

[Text] Moscow February 15 TASS—Russian President Boris Yeltsin has signed a decree "On the Committee of the Russian Federation for Patents and Trademarks" which is intended to ensure the protection of intellectual ownership in the sphere of science and technologies.

The Committee for Patents and Trademarks (Rospatent) will carry out functions of the State Patent Department and conduct a single state policy in the field of protection of industrial ownership, the Russian president's press service announced on Monday.

In accordance with the decree, the Committee for Patents and Trademarks will include a state organisation—the Russian Agency for the Legal Protection of Computer Programs, Database and Layouts of Integrated Circuits.

Issues Decree on Privatization Vouchers

LD1302140293 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1200 GMT 13 Feb 93

[From the "Novosti" newscast]

[Text] Russian President Boris Yeltsin has issued a decree on measures aimed at regulating the circulation and cashing in of privatization vouchers, the presidential press service announced today. Under the decree, a statute on official procedures for bringing privatization vouchers into circulation and cashing them in has been approved.

The Russian Federation State Committee for the Management of State Property will be responsible for providing clarifications on how this statute should be applied. The decree came into force on 12 February 1993.

Signs Decree on Land Reform Fund

LD1602100993 Moscow ITAR-TASS in English 0921 GMT 16 Feb 93

[By ITAR-TASS correspondent]

[Text] Moscow February 16 TASS—Russian President Boris Yeltsin has signed a decree "on the international financial fund for the land and agroindustrial reform", the presidential press service reported here today.

The purpose of the decree is to create favourable conditions for the attraction and use of financial resources, including foreign investments and credits, for the implementation of special-purpose programmes and projects, promotion of business and competition within the agroindustrial complex.

In keeping with the decree, the report says, the Russian State Committee for the Management of State-Owned Property will contribute to the elaboration of the fund's founding documents and will render assistance in its registration. The committee is entrusted to act as one of the fund's founders. The government will contribute through the state-owned Property Committee two billion roubles to the fund's authorised capital.

Other measures to support the activities of the new fund have also been envisaged.

Issues Edict on Federal Food Stocks

PM1602162393 Moscow ROSSIYSKIYE VESTI in Russian 16 Feb 93 p 3

[Edict No. 218 of the Russian president "On forming federal and regional food stocks in 1993," signed by President B. Yeltsin and dated Moscow, The Kremlin, 12 February 1993]

[Text] With a view to ensuring supplies of food and raw materials for state needs in 1993 I decree:

1. That the Russian Federation Government, the governments of republics within the Russian Federations, and organs of executive power in krays, oblasts, and autonomous formations create in 1993 federal and regional stocks of basic foodstuffs.

2. That federal stocks of grain, sugar, vegetable oil, meat and meat products, milk and dairy products, eggs and egg products, fish produce, potatoes, vegetables, children's food products, and high-grade and hybrid seeds of grain and oilseed crops be formed via procurements from republics within the Russian Federation, krays, oblasts, and autonomous formations which engage in their commercial production, and also via procurements of food and raw materials from CIS states and via imports.

That federal stocks be used to meet the needs of military and equivalent categories of consumers, to support territories which do not produce this output or which have limited opportunities to produce it, the cities of Moscow and St. Petersburg, and for other state needs.

That proposals to form federal stocks be formulated by the Russian Ministry of the Economy in conjunction with other interested Russian Federation ministries and departments and approved by the Russian Federation Government.

3. That the Russian Federation Government:

a) stipulate the size of:

federal stocks;

food deliveries to federal stocks from republics within the Russian Federation, krays, oblasts, and autonomous formations;

agricultural procurements to ensure the production of the foodstuffs delivered to federal stocks;

procurements of food resources and raw materials from the CIS states and via imports;

the allocation of foodstuffs to consumers from federal stocks;

b) make provision within the draft 1993 Russian Federation Republic Budget for Agro-Industrial Complex Commodity Producers for funds to:

preserve the subsidies and compensatory payments in force in 1992, allowing for indexation;

reimburse 50 percent of the cost of technology, equipment, and spare parts used to produce the output delivered to federal stocks;

c) approve the procedure for fixing and applying prices of grain and the seeds of oilseed crops procured by federal stocks in 1993.

4. That the Russian Federation Government, in conjunction with the Central Bank of the Russian Federation, submit a proposal for procurement organizations to be supplied with credit at a charge of 10 percent annual interest to pay an advance to rural commodity producers who have concluded agreements (contracts) to supply grain and oil seeds.

5. To establish that regional stocks of food resources in republics within the Russian Federation, krays, oblasts, and autonomous formations are formed mainly through procurements of local produce, produce from other regions of the Russian Federation, and also from CIS states and via imports.

The procedure for forming and utilizing the above stocks is stipulated by the governments of republics within the Russian Federation and organs of executive power in krays, oblasts, and autonomous formations.

6. That responsibility for supplying food and raw materials to federal stocks is borne by the leaders of the

governments of republics within the Russian Federation and organs of executive power in krays, oblasts, and autonomous formations.

7. This edict comes into force from the moment that it is signed.

[Signed] Russian Federation President B. Yeltsin

[Dated] The Kremlin, Moscow, 12 February 1993

Ministry Gears Up for Tighter Export Controls

MK1602140293 Moscow KOMMERSANT-DAILY in Russian 16 Feb 93 p 3

[Georgiy Bovt, Svetlana Sukhova report: "Ministry of Foreign Economic Relations on Russian Exporters. The Number of Intermediaries Will Be Limited"]

[Text] The Ministry of Foreign Economic Relations launched preparations on 15 February for cutting down the number of Russian exporters. The measures outlined by the ministry at its latest collegium meeting for creating a "system to protect Russian economic interests" and ensuring the "repatriation of currency" could therefore become a reality very soon.

Oleg Davydov, first deputy foreign economic relations minister, referred a KOMMERSANT-DAILY correspondent to an IZVESTIYA interview with IMF director Michel Camdessus on 12 February where he voiced his concern over the absence in Russia of a strict financial policy and the inability to ensure that money allocated by the IMF "will not be transferred to bank accounts in Zurich, Paris, and London." At its last collegium meeting, the ministry already discussed the imposition of stricter controls over the export of strategic goods. The outflow of these goods from the country in 1992 through sales by intermediaries and joint ventures (for example, 5 million tonnes of oil was exported) was valued at $6-8 billion.

Davydov said that 33 organizations were exporting oil from Russia, whereas in many other countries only one or two state-run companies had the right to do this—for example, Pemex in Mexico, Saudi Aramco and Samarex in Saudi Arabia, and PDAVSA in Venezuela. The deputy minister also recalled that after World War II, rigidly centralized currency regulation was the norm in countries such as Japan and the FRG.

Davydov thought that Russia was in need of similar measures—not only with regard to oil—to compensate for the lack of efficient border and customs controls. Export quotas could be set by producers, who would do the exporting either independently or via state-run foreign economic companies which, Davydov said, would guarantee the possibility of "monitoring the return of hard currency." Thus the main novelty lies in the limitation on the number of intermediaries that "do not have production capital."

The exporter, to whom the producer would sell his product for rubles, could be chosen by competitive tender, the winner being the one who offers to pay the state the highest share of his hard- currency earnings. The exporter would buy the established quota of the product with his own money (plan one), or with money from the state budget (plan two). The hard currency earnings—less the exporter's profits (plan one), or the costs (plan two)—would go into the budget to finance critical imports (worth $6 billion in 1993) and pay the foreign debt.

According to KOMMERSANT-DAILY experts, stricter export controls will not be slow in coming given the critical situation over the repayment of Russia's foreign debt. The possibility of a sharp cut in the number of already licensed exporters of strategic goods, who number around 500, is not ruled out. It is hard to predict whether the Ministry of Foreign Economic Relations will be able to withstand pressure from the firms hurt by the new measure. It is obvious, however, that Chernomyrdin's approach will be seen as preferable to Gaydar's, because of the close ties between the current premier and the producers of oil and gas, Russia's main export items.

Government Decree on Bread Price Regulation

PM1602164593 Moscow ROSSIYSKIYE VESTI in Russian 16 Feb 93 p 4

[Decree No. 94 of the Russian Federation Council of Ministers-Government "On state regulation of prices of bread and bread products," signed by V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government, and dated Moscow, 3 February 1993]

[Text] With a view to stabilizing the level of prices of bread and bread products and monitoring the pricing of these products in accordance with Russian Supreme Soviet Decree No. 4124-1 of 17 December 1992 "On State Regulation of Prices of Bread and Bread Products and Measures to Form Federal and Regional Grain Stocks," the Russian Federation Council of Ministers-Government decrees:

1. That it be established that the fixing of the price of bread in the first quarter of 1993 should be based on a purchase price of grain for bread production of 12,000 rubles per tonne.

2. That the difference between the actual prices of grain (imported and national) procured for state resources for flour production and the fixed price be reimbursed from federal budget funds.

That the Russian Ministry of Finance make provision in the 1993 federal budget for funds for the above purposes and, in conjunction with the "Roskhleboprodukt" Contract Corporation, determine the procedure for reimbursing milling enterprises for the difference between the actual prices of grain paid to the supplier and the fixed price.

3. That a maximum level of profitability of 15 percent of product cost be set for all grain reception, milling, and bakery enterprises regardless of their organizational-legal form and departmental affiliation.

4. That the governments of republics within the Russian Federation, organs of executive power in krays, oblasts, and autonomous formations, and the cities of Moscow and St. Petersburg be instructed to clarify the actual size of trade markups on bread and bread products with a view to reducing them.

5. That the "Roskhleboprodukt" Federal Contract Corporation and the Russian Federation Committee for Price Policy, with the participation of statistics organs, regularly examine the state of the population's supply of bread and bread products and the prevailing level of prices of these products, and submit information to the Russian Federation Council of Ministers-Government on a quarterly basis.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government

[Dated] Moscow, 3 February 1993

Government Decree on Short-Term Bonds Published

PM1602163993 Moscow ROSSIYSKAYA GAZETA in Russian 16 Feb 93 First Edition p 6

[Decree of the Russian Federation Council of Ministers-Government "On the issue of short-term non-coupon state bonds," dated 8 February 1993 and signed by V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government]

[Text] In accordance with the Russian Federation Law "On the Russian Federation Internal State Debt," the Russian Federation Council of Ministers-Government decrees:

1. To approve the basic conditions for the issue of short-term non-coupon [beskuponnyye] state bonds, elaborated by the Russian Federation Ministry of Finance in coordination with the Central Bank of the Russian Federation.

2. The Russian Federation Ministry of Finance is to carry out the issue of short-term non-coupon state bonds in accordance with the basic conditions For the issue of short-term non-coupon state bonds, approved by the present decree, as of February 1993.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Council of Ministers-Government

Government Adopts 'Action Plan' for Economic Reforms

PM1202163193 Moscow ROSSIYSKIYE VESTI in Russian 12 Feb 93 p 2

[Nikolay Gorlov article: "Contours of Economic Policy Become More Definite"]

[Text] An action plan for the short-term implementation of economic reforms was approved at yesterday's session of the Russian Federation Council of Ministers-Government.

While retaining the continuity of the strategic course of transformations started by the government of Ye. Gaydar, this document contains many new points.

As before, the Russian Government is bringing financial policy issues to the fore, but tasks are being clearly formulated taking the past year's negative experience into account. In particular, attention is being focused on the need to improve the work of the tax service. At present only 50 percent of tax levies are received by the state treasury. Last year's losses resulting from shortfalls in value-added tax collection alone amounted to about 700 billion rubles [R].

The government has also taken into account the sad experience of oversimplified dipping into the "emissions pocket." As a result of poorly controlled money emission, which was often initiated by the government, the state budget deficit last year significantly exceeded the planned R950 billion. In order to regulate relations between the government and the Central Bank, it is planned to prepare a program of state borrowing based on treasury bills of exchange, bonds, and other financial instruments distributed on market terms. In other words, an attempt will be made to create a system of civilized state debt servicing.

In order to get the state budget approved, measures designed to effect drastic savings in federal expenditure will be formulated. For example, provision is being made for a cut in subsidies and benefits and a stage-by-stage switch to housing payments on a scale which ensures that maintenance costs are recouped.

Considerable attention is being paid to improving the system of transactions and settlement of mutual obligations between enterprises. The penalty incurred by banking institutions for delaying transaction payment operations is also being increased.

A fundamentally important point will be the switch to a unified interest rate for all Bank of Russia loans, including loans to the Russian Federation Government. Let me remind readers that until now the government, unlike the commercial banks, obtained Central Bank loans at a nominal rate. This naturally whetted appetites and led to excessive generosity in allocating preferential state loans.

Within the framework of a structured reconstruction of the economy we may note the increased attention being paid by the present government to issues concerning conversion of the defense industry, investment policy, and the development of enterprise and competition. In all these spheres the previous government's work drew sharp criticism. Thus hasty and obviously overradical conversion has created major problems for the domestic defense industry and led to unjustified cutbacks in

exports of weapons and military hardware. Capital investment was almost halved last year—which is practically the most alarming indicator of the sickness of our economy. And as far as the development of competition is concerned, entrepreneurial circles jest somberly that last year was marked by two major steps in this area—the establishment of the Committee for Supporting Small Enterprises and its subsequent abolition.

An important element in the government's structural policy will be "weeding out" production facilities with no future (it is well known that there was not a single bankruptcy under the last Cabinet of Ministers). Partly, probably, owing to the lack of a normative base, and partly owing to the complex sociopolitical situation. So on the whole the bankruptcy of state enterprises (and these constituted the overwhelming majority of enterprises in 1992) is economic nonsense.

With the change in forms of ownership (the mass flotation of enterprises) and the adoption of the Law on Bankruptcy, the prospect of many enterprises being put into liquidation is becoming more realistic and economically pressing. A procedure for clearing up, reorganizing, and discontinuing the activity of enterprises will be formulated as early as this month, and the first showcase bankruptcies will take place in March. Not, of course, as some sort of deterrent, as public punishment, but rather for instructional purposes.

In terms of timing, the first bankruptcies should coincide with the publication of the president's edict on preparing measures for the social protection of people who have lost their jobs owing to enterprise bankruptcies. It would be nice if these measures could be implemented before unemployment turns from a "paper tiger" into a real social problem. The government also intends to tackle the reform of our extremely confusing pension system.

By April a program for supporting (private) peasant farms and agricultural cooperatives will be ready. It follows from this that, at least during the period of spring work in the fields, private farmers should rely primarily on their own efforts. On the other hand, by April the Russian Federation president's edict on introducing state mortgage operations relating to land and property in the agricultural sector should be signed. This will provide private farmers with considerable freedom of economic maneuver.

In the sphere of the government's foreign economic activity, steps are envisaged to defend Russia's national interests more resolutely—the development of a system of customs monitoring, the regulation of credit issue to CIS countries and other former USSR republic states, the settlement of payment issues, and the preparation of proposals to switch to an official quotation of their national currencies in relation to the ruble.

Minister Reports Poor 1992 Agricultural Results

OW1502162493 Moscow INTERFAX in English 1435 GMT 15 Feb 93

[Following item transmitted via KYODO]

[Text] Russia's peasants are building hopes on a federal agricultural fund, proposals for which have been made to parliament and government, Agriculture and Food Minister Viktor Khlystun said on Monday [15 February] at a meeting of his ministry's collegium. The fund, he said, would be formed by deducting three percent from the profits of all enterprises, both state-owned and private. Sixty percent of the money will be spent to finance federal programs, 40 percent to satisfy the needs of various regions.

The meeting, which considered Russian agricultural results for 1992 and immediate tasks in this sector, was, among others, attended by Vice-President Aleksandr Rutskoy and Deputy Prime Minister Aleksandr Zaverukha.

Khlystun said that last year agriculture brought in a net profit of 534 billion rubles, ie a 42 percent profit rate.

The situation in stock breeding was extremely grave, the minister said: in spite of subsidies, the total number of head of cattle went down by eight percent, that of pigs, sheep, and goats, by 13 percent, and that of poultry, by 18 percent. "There are no reasons for making a positive assessment of land reform either," he said, "since the development of private farming was checked by a shortage of land and machinery, and by a weak market infrastructure." At the same time, Khlystun said that in January there was the first indication of stabilization in stock breeding. The amount of livestock had not diminished in 40 out of Russia's 88 territorial units, while in 24 republics and regions "milk production had gone up for the first time in three years." Completion of wintertime preparations and efficient sowing this spring are Russian agriculture's "immediate and most important tasks," Khlystun said. This will be a difficult spring, he said, since the land plowed up last autumn was 13.5 million hectares smaller in area than that plowed up in autumn 1991, and the area on which winter crops were sown was 2.8 million hectares smaller. The country's agriculture will need an additional credit of 150 billion rubles for this spring, Khlystun said.

Military, Space, & Other Issues

Article Views Army 'Fear and Outrage'

MK1702135793 Moscow KURANTY in Russian 17 Feb 93 p 7

[Article by Lieutenant Colonel Aleksandr Zhilin, chief editor of ARMIYA ROSSII: "The Aggressive Weariness of Disappointments"]

[Excerpt] [passage omitted] In the Armed Forces today young democratic institutions which have made any attempt to defend servicemen's rights are being barbarically smashed. The Independent Servicemen's Trade Union, for example, has been practically demolished. The leaders of the Officers' Assembly are being persecuted and expelled as "politically unreliable" [s volchim biletom] on the defense minister's personal instructions. Pavel Grachev is making increasingly persistent demands for statistics for crimes and other negative phenomena in the military sphere to be classified. The Defense Ministry is in a hysterical rush to reimpose its jurisdiction over the military prosecutor (who is currently subordinate to the Russian Federation general prosecutor) in order to be able to act in an arbitrary manner by manipulating the law with impunity. The military department in the shape of the generals is seeking to place itself above society again.

The buildup of fear and outrage in the Army is creating a menacing mixture of aggressiveness which sooner or later could explode.

It is important to mention the following detail here. In regarding General Grachev as unconditionally Yeltsin's man, officers naturally make a direct link between Grachev's dictatorship over them and the name of the president, whose rating in the Army is declining disastrously. If events continue to develop this way, most officers will soon turn away from their president and commander in chief once and for all. Sad though it is to say it, Boris Yeltsin today is following precisely the path followed by Mikhail Gorbachev (in terms of the Army). The only difference is that whereas in August 1991 servicemen were still hoping for democratic transformations which would be implemented by the Russian president and therefore behaved passively at the decisive moment, tomorrow, disillusioned, they would behave differently. I am not confident that Boris Nikolayevich would have the chance to "speak from the top of an armored car" again. A poll of officers conducted by our editorial office showed that 73 percent of respondents consider it a mistake that they did not decide to storm the White House in August 1991.

For the sake of objectivity it must be said that officers are not thrilled with parliament either, which they see as reacting passively to Army problems. They are very indignant that the defense minister did not even get to present a report at the Seventh Congress. And when it became known among the troops that Grachev had dealt with military deputies who had been insisting that the Congress examine the "military question," their reaction to the legislature was a dismissive wave of the hand.

Just over two weeks ago I happened to be talking with representatives of the so-called officers' strike committees. These structures have been clandestinely created in line units, and their members operate in strict secrecy. Their objectives and tasks are as follows: to psychologically prepare personnel for the possibility of the authorities being overthrown (in this instance there is no distinction between the legislative and executive authorities); to constantly show the difference between the military reforms as proclaimed and actually implemented; to make clear the disparity between the promised legal guarantees and the real situation; and so forth. At the requisite moment the leaders of these underground committees have to take over control of military units and act in accordance with instructions received shortly beforehand.

I just do not believe that Pavel Grachev does not have information about the situation among the troops. But he nevertheless assures the president, the government, and parliament that the situation in the Defense Ministry is stabilizing. It is hard for me to understand the reason for this deception of the country's leaders.

Answering sharp questions about shortcomings in the organization of Defense Ministry activity at a closed conference of Northwestern Group of Forces and Baltic Fleet leadership personnel, Pavel Grachev stated that troops are being withdrawn from the Baltics not by the Army but by Russia (meaning the president and parliament) and that the Armed Forces are being cut not by the Defense Ministry but by the state (meaning the president and the government).

No wonder that the newspaper DEN is constantly asking: Whose side are you on, General Grachev? No answer. Yet...

In analyzing the domestic political situation I think that Pavel Sergeyevich has still not made up his mind. Most likely he is waiting for the political skirmishing to climax in order at the very last moment—as in August 1991—to rush advantageously to the winning side.

One thing is absolutely clear. If the Russian army "boiler," which the Defense Ministry is constantly stoking with fresh fuel, blows up, the shock waves will mess up the political game plans of all political groupings. Who benefits from this explosion will only become clear when the dust settles. Most likely we will see atop the ruins the bosses of a military junta with guns pointing.

Nuclear Storage Facility To Be Built in Novaya Zemlya

OW1702200393 Moscow INTERFAX in English 1932 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] The local authorities and servicemen are continuing their consultations about the construction of a large storage facility for nuclear wastes in Novaya Zemlya. This message was published by the local newspaper "VOLNA" ("WAVE").

The Moscow Institute of Industrial Technology has developed the design of the storage facility and Russia's Ecology and Natural Resources Ministry has supported

the decision about its creation. The developers of this design assert that the concept of a rather shallow storage facility meets the International Organization on Atomic Energy technical requirements and principles providing for security of radioactive wastes burial. In particular, the draft envisages laying of a trench with a sloping drive, 12 meters deep and 4 meters wide, situated two kilometers from the gulf of Bashmachnaya (to the south-west of Novaya Zemlya). The containers with the wastes delivered by sea will be transported to the trench by trucks and laid in layers, then they will be poured over with concrete and covered with soil.

The newspaper expressed its concern over the fact that the decision to construct a storage facility was made in Moscow without the participation of the Arkhangelsk province's authorities. Now it is unknown, what will be the decision of the province's administration. If the storage facility is built then special ships with dangerous cargoes will pass through fishing regions and developments of gas deposits.

At the same time, according to the newspaper, there is an alternative design of a storage facility for nuclear wastes proposed by the St. Petersburg Institute of Energy Technologies. The main expert of this Institute, Vyacheslav Perovsky, believes, in particular, that Novaya Zemlya is the most inappropriate place for this storage facility of nuclear wastes. According to Perovsky, the gulf of Ivankovskaya on the Kola Peninsula, an unpopulated region which has no economic significance, is the most convenient place.

* Director on Future of Russian Space Program

937Q0078A Moscow TRUD in Russian 6 Feb 93 pp 1, 5

[Interview with Yuriy Koptev, general director of the Russian Space Agency, by TRUD political observer Vitaliy Golovachev; place and date not given: "Money—in Space and From Space: Russia Is Trying To Find a Place in the World Market for Rocket Technology"]

[Text] **"Russia is trying to enter the world market for space technology in order to become a serious competitor..." "Moscow has offered the Republic of South Africa SS- 20 rockets to launch nine satellites from Russian mobile launchers that will be delivered to South Africa. Instead of $40 million at Western prices, Russia is prepared to take only $10 million for each launch..." "The American company Pratt and Whitney has concluded an agreement in Washington that will give Russian experts an opportunity to sell rocket engines developed by the Energomash Scientific-Production Association profitably in the United States..." These are just extracts from a flow of similar reports that are appearing with increasing frequency in the world press. Meanwhile, at hearings of the Russian parliament the general director of the Russian Space Agency [RKA], Yuriy Koptev, stated in November last year that "the space complex is on the brink of crisis." So what is the situation in reality? This is how I started my interview with Yuriy Koptev.**

The truth is that the situation in our complex, and throughout the industry, is extremely complicated, the leader of the space agency said. Over the past two or three years we have lost one- third of our highly skilled personnel. You know, any world class expert will say that this is a critical factor for the survival of the sector. Last year alone more than 30,000 people quit the industrial enterprises of space complex or were let go in connection with the production cutback, and 40,000 left scientific institutions...

And it is no wonder that they are leaving. The average wage at the Energiya Scientific-Production Association, for example, was 503 rubles [R] in 1991, and last year it was R4,043; it is about R3,000 at the Voronezh Design Bureau, and R2,941 at the Izmeritelnaya Tekhnika Scientific-Production Association... It is the astonishing loyalty of many workers in the sector that is saving it from total collapse. Nevertheless, the loss of one-third of the scientific and production elite is a serious symptom...

[Golovachev] But perhaps Russia does not need a space rocket complex on its previous scale?

[Koptev] It is no longer a question of anything on that scale. But it is essential to understand the main thing: Without a modern scientific industrial sector Russia would become quite a different country. Communications, television, weather forecasting, the study of oil and gas and other natural resources—can you imagine the country without these? I do not even mention that realization of our new military doctrine (mobile troops, highly accurate weapons, dynamic control, detection of early signs of preparation for war in other states) would be quite impossible. So it is a question of the country's vitally important interests. It is precisely on these state targets that budget allocations should be directed today. Which, of course, does not exclude the possibility of developing and realizing many other space projects on a commercial basis.

Nowhere in the world—not in the United States, not in the European countries, not in Japan—is the space complex self- sustaining financially, and most of the funding comes out of the budget (80-85 percent). In the United States it is $35 billion a year, in the European Space Agency 3 billion, in France 2...

[Golovachev] And in Russia?

[Koptev] According to our calculations this year we will need R48-50 billion (in 1993 prices) from the state budget. In addition, off-budget funds will be attracted, that is, client's money: the Ministry of Communications, commercial structures, and others. However, all the funds that we expect to receive from commercial agreements from Russian and foreign clients will make up less than 20 percent of our budget. Let me say it again: In no country does space research exist on a self-sustaining financial basis.

[Golovachev] Could you give some examples of commercial cooperation?

[Koptev] The possibility is now being studied of Russia's participation in large-scale projects with the European Space Agency (ESA). Preliminary agreement was reached late last year in Granada (Spain) at a meeting of ministers from the 13 ESA member countries. It was a question of our participation in the Columbus European orbital station and the Hermes space airplane (this is where the experience gained in developing the Buran vehicle is very useful), and also a joint program of manned missions.

In general the contract promises to be an extremely big one for Russian space research. The total, including costs for two flights by European astronauts, may reach about $130 million before 1995. It is expected that the contract will be signed in February or March. But in order not to lose time the first group of ESA astronauts have already arrived at Zvezdnyy Gorodok—the Belgian Marianna Merches (she has two professions—pilot and medic), the Spanish engineer Pedro Dukke, and a Swedish scientist, Doctor of Physicomathematical and Technical Sciences Krister Fuglesang...

[Golovachev] Is a Soyuz mission possible with a crew made up entirely of foreign astronauts, as the Western partners are suggesting?

[Koptev] I think that this question requires detailed discussion. In my opinion it is better to retain the present scheme whereby our cosmonaut pilots the vehicle as the crew captain.

If we continue our examples, then I would talk about the agreement with France on flights by four astronauts on Russian vehicles before the year 2000. The first flight will take place soon, in July. The French will be paying $12-15 million for each mission.

A $36-million contract is being drawn up for the space launch of the first Western satellite of the INMARSAT international organization. Launch is planned for 1994.

Just recently, a few days ago, an important agreement was discussed in Switzerland between the American Motorola Company and the Lockheed-Khrunichev joint-venture to use three Proton rockets to loft Iridium communications satellites into orbit. The contract is worth about $200 million...

At the same time I would like to note that Russia's entry into the space market for space launches is connected with overcoming existing political restrictions. What I have in mind is first and foremost the notorious Cocom [Coordinating Committee for Multilateral Export Controls] agreements. Until the discriminatory Cocom restrictions and other prohibitions from the time of confrontation in the cold war are lifted, it is impossible to talk about a world space market.

[Golovachev] It is, I think, also impossible to remain silent about the prospects for cooperation between the Russian and American space agencies...

[Koptev] The immediate prospects are known—in October our cosmonauts will be flying on the shuttle (Sergey Krikalev and Vladimir Titov are now training in the United States, but only one of them will go into space), and in late 1994 or early 1995 an American astronaut will fly on the Mir. He will go there aboard a Soyuz and return in the shuttle, which is to dock with the Mir in the spring of 1995...

But perhaps even more interesting and very promising both for us and for the United States, and in general for world space research, might be Russia's participation in the development of the enormous 100-meter American Freedom orbital station that will operate in space for 30 years. The plan is to have four hermetically sealed modules where the astronauts can live and work. The crew will be made up of up to eight people and the cost of development and assembly is more than $30 billion.

One acute problem facing the developers of the station today is space rescue vehicles that could be requested by astronauts in the event that the space home has to be abandoned because of an emergency. The vehicle should be docked with the station so that they could return to Earth at any moment. The reusable shuttle is not suited for this, first because it can stay only for a limited time in space (several weeks after each launch), and second, because it would be extremely expensive.

This means that the Americans must develop special rescue vehicles. This could be done, for example, by the Lockheed Company. But development of the vehicles will require at least a billion dollars and five or six years of work. Meanwhile, in Russia there are reliable reusable transport vehicles of the Soyuz series, which have given a very good account of themselves. They, of course, will also require some modernization, but the costs here are not to be compared with the cost of developing a new vehicle. The United States could make this version for three or four times less cost. We could sell the Americans several modernized Soyuz vehicles for use with the Freedom station. Such a contract would be worth several hundred million dollars and would be very attractive for Russia. The feasibility of realizing this project is now being studied in our two countries in accordance with the first contract concluded between NASA and the Energiya Scientific-Production Association.

[Golovachev] The launching of communications satellites is also very effective on the commercial plane. What positions does Russia have in the world market in this sphere?

[Koptev] First of all I would like to remind you of the first commercial project, which envisaged the development of a Russian- Canadian satellite meeting world standards. The SOVCANSTAR Russian- Canadian joint-venture enterprise was set up recently. Using our Proton rockets it is planned to launch five communications satellite each weighing 2.5 tonnes. After they have been placed in stationary orbit they will always be over the same point on Earth. It is a global commercial satellite system that will provide about 100,000 two-way

telephone channels across the entire planet. Naturally, it will also be possible to feed television programs through these channels and organize telegraph and teletype communications and handle data transmission. Russia will use some of the channels and the rest will be offered in the international market.

The total investment is more than $200 million, and a decision for Canada to put up $90 million has already been made. The satellites will be fabricated jointly, at the Krasnoyarsk Scientific-Production Association of Applied Mechanics, and the repeater and antennas by the Canadian side. A start is to be made on the project late in 1995.

[Golovachev] Russia is being accused of dumping in the world space market. U.S. Vice President Albert Gore has demanded that an end be made to the policy of the "predatory" prices set by Russia and China for launches...

[Koptev] Well, let us take a look at the economic calculations. It costs $3,000-4,000 to launch 1 kilogram of payload into low orbit using our Proton rocket; the figure is $2,000 for the Soyuz and $2,400 for the Molniya. On the American rockets this same payload costs five times more. Our rockets are more economical and, moreover, we have a different price structure. But despite all that, we are not trying to engage in dumping. In addition, some clients reproach us: Why, given such low prime cost, do we set relatively high prices in the world market. We usually answer: Well, we buy wheat from you at world prices...

[Golovachev] Does this mean that you are prepared to trade in the space market at average world prices?

[Koptev] Of course, this is also in our interests. But we need to determine what the world price is. For use of their Arianne rocket the French charge $70 million, the Americans charge $56 million for their Atlas, the Chinese about $30 million ...Where do we make the comparison? There must be some difference in price otherwise competition is impossible...

[Golovachev] What are Russia's hard currency "earnings" from commercial space projects?

[Koptev] In the immediate future I think it will be something on the order of $200-300 million a year.

[Golovachev] Will modified military rockets that should be destroyed under the terms of the disarmament treaties be used for commercial launches?

[Koptev] The first what we might call demonstration launch of an SS-25 rocket modified to launch commercial satellites will be launched in February. These rockets can loft small satellites weighing up to 550 kg into orbit. Other rockets are able to loft heavier payloads into orbit: the SS-18, 4.5 tonnes, and the SS-24, 2.5 tonnes. In all about 2,000 various types of our military rockets will become available. Of course, it would be a good thing to use them for peaceful purposes—to launch communications satellites and other kinds of satellites. But I am not sure that we will find many customers. Although some inquiries are being made. It is an important problem and it must be seriously addressed. It is not so difficult to destroy them, but the task is to make some profit even in this complicated situation.

We have recently already destroyed about 800 medium-range and short-range missiles. The Americans cut them into pieces and we blew them up... Just the metal alone is of some worth! If we approached this problem sensibly we could make a little profit. It is somehow senseless...

In general many ill-considered decisions are being reached. For example, our unique nuclear reactor for space vehicles, the Topaz, developed at the Kurchatov Institute, was sold in the United States for only $10 million. I read later in the foreign press that it would have cost the United States $1.1-1.2 billion to develop a similar device. We lost hundreds of millions of dollars. We must know how to trade...

[Golovachev] What is to be fate of our reusable Buran vehicle?

[Koptev] For the time being it is being mothballed.

[Golovachev] When will the new Mir-2 station be launched?

[Koptev] The Mir-2 study project should be completed this year and the launch is possible in 1996 or 1997.

In general I regard the future of our space research with optimism. It has adequate potential to assume a worthy place in both the world and the domestic markets, and to adapt to the new conditions. The rejection of empty propaganda programs and the realignment of the space complex on the country's real needs has already borne fruit. Tomorrow will be even better.

***

A press conference took place yesterday in the Russia Space Agency at which our space program through the year 2000 was discussed.

Program To Upgrade Satellite Communications Unveiled

MK1702110093 Moscow KOMMERSANT-DAILY in Russian 17 Feb 93 p 1

[Oleg Ivanov report: "Russian Satellite Communications To Be Brought Up to World Standards"]

[Text] The Applied Mechanics Scientific Production Association [NPO] has drawn up a program for the development of satellite communications called "Rossiya" that is expected to bring Russia up to world standards in this field within the next two years. The program was unveiled at a press conference in Moscow

on 16 February entitled "Satellite Communications: Current Status and Development Prospects."

The press conference, which was given by the Russian Communications Ministry at the Foreign Ministry press center, discussed the manufacture, putting into orbit, and operation of communication satellites that are part of the orbital systems currently being developed. The press conference was addressed by Russian Communications Minister Vladimir Bulgak and Academician Mikhail Reshetnev, general designer of the Applied Mechanics NPO, who drew up the Rossiya program.

According to Vladimir Bulgak, Russian satellite communication channels account for just 6 percent of the total number of intercity telecommunications channels. Ministry specialists say that to have a proper communications network, that figure should be at least 20 percent. Moreover, the performance of the existing orbital communications system falls far behind world standards in terms of throughput, stability of the satellites' orbital positions, and their operating life.

Several scientific production organizations have developed programs aimed at creating a unified telecommunications system, the communications minister said, but the Rossiya program devised by the Applied Mechanics NPO was viewed by the Russian government as the most economically advantageous and complete.

Another speaker, Academician Mikhail Reshetnev, general designer of the Applied Mechanics NPO, said that under the program, which was already being implemented, the throughput capacity of the satellite communications network would increase several times over, which would enable commercial firms to lease satellite transponders with no limitation.

The Applied Mechanics NPO is one of the leading Russian organizations in the fields of space communications systems, television broadcasting, navigation, and geodesy. The firm, founded in the closed city of Krasnoyarsk-26 in 1977, manufactures spacecraft designed by its own design bureau.

The program envisions a fixed communications subsystem that will provide international, trunk, and intrazonal telecommunications channels. This will open up broad prospects for creating data transmission networks that will provide commercial firms with both domestic and international communications.

Under the Rossiya program, this subsystem will be based on the Ekspress space vehicles that are scheduled to be first launched at the end of 1993. In 1994, a mobile communications subsystem that uses the Arkos vehicles will become operational, Reshetnev said. It will enable stable telegraph and telephone communications to be established with mobile facilities in any part of the country. At the end of 1993, the television broadcasting subsystem will be equipped with a new generation of the powerful Gals spacecraft.

It was noted at the press conference that the new generation of satellites would be created not only by state-owned firms, but also commercial ones—in other words, associations whose partners include Russia's leading spacecraft construction enterprises.

Whether the projects will be fully implemented according to the timetable, however, will largely depend on additional investment, KOMMERSANT-DAILY experts say. One of the chief aims of the press conference was in fact to draw the attention of prospective domestic and foreign investors to the programs, because the advanced stage of Russian space designs and technologies makes investments in this sector very promising.

Regional Affairs

Third Round of Talks in Kislovodsk May Be Interrupted

OW1802122393 Moscow INTERFAX in English 1129 GMT 18 Feb 93

[Following item transmitted via KYODO]

[Text] The third round of talks between Ossetia and Ingushetia in Kislovodsk may be broken off today to enable both sides to return to their republics for consultations. Interfax has been told that the appropriate protocol is expected to be signed Thursday [18 February]. It is also believed that the protocol will include the date for the next round of talks.

The Ossetian side intends to make a statement Thursday on the situation which has arisen at the talks. The continuation of these talks is under doubt after fruitless attempts by both sides after two days of debate to find a compromise on the resolution by the Ingush Central Voting Commission.

The resolution, which was passed last week, provides for the inclusion of Vladikavkaz and the Prigorodnyy Region of North Ossetia in the constituencies for presidential elections in Ingushetia. The Ossetian delegation made a declaration upon arrival in Kislovodsk Tuesday that it intended to have a dialogue with the Ingush only after the cancellation of the resolution by the voting commission.

A number of amended variants of the resolution offered by the Ingush side were not accepted by the Ossetian delegation.

It is believed that if the talks are interrupted the next round will begin in March after the presidential elections in Ingushetia planned for February 28.

Dudayev Denies Attempt To Usurp Power

LD1702155393 Moscow ITAR-TASS World Service in Russian 1358 GMT 17 Feb 93

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy, 17 Feb—Chechnya's President Dzhokhar Dudayev has categorically rejected accusations which have emerged in the last few days that he is attempting to usurp power in the republic. In an exclusive interview to ITAR-TASS he stated today that the very stormy and negative reaction by individual members of parliament to his initiative to introduce addendums and changes in the Constitution of the Chechen Republic now in force is completely unfounded and essentially signifies a fear of losing control over the executive structures which parliamentarians have today taken charge of illegally.

Dudayev said that today's constitution of Chechnya does not reflect the considerable changes in society which have taken place after the formation of the independent Chechen state. In it there is no clear-cut separation of the powers of the various branches of power, Moreover, Chehchnya's present-day parliament provides an insufficiently adequate reflection of the republic's social and ethnic composition. The amendments and addendums to the Constitution being proposed are designed to rectify these and other shortcomings of the fundamental law.

In accordance with Dudayev's proposals, the present-day parliament retains its functions as House of Representatives and is supplemented by the Chamber of te State Council made up of 14 people, elected in accordance with a certain quota from the ethnic minorities and from religious, women's and other organizations. The establishment of shariah courts is envisaged for resolving civil and family disputes. The rights of citizens to carry and keep weapons is being legalized.

These addenda do not signify any constitutional coup, Dudayev said. Moreover, the present parliament retains the right to adopt or reject them. I, however, with my decree, ordered the holding of a referendum on 19 February in order to learn the view of all citizens of the new wording of the Constitution, Dudayev said. This poll is of a purely sociological nature.

Having learned the people's view of the new wording of Chechnya's Constitution, Dudayev said, we will prepare a final package of amendments and addendums, and I, making use of my constitutional right of legislative initiative, will submit it to parliament for examination.

Meanwhile passions continue to rage in Chechnya around Dudayev's initiative. The situation which has arisen was examined by parliament yesterday. On the initiative of the parliamentarians, the constitutional court which was recently formed in Chechnya, is now examining the constitutionality of the president's decree on holding the referendum. It is envisaged that its decision will become known this evening.

Dudayev on Proposed Amendments to Chechen Constitution

PM1802095793 Moscow KOMSOMOLSKAYA PRAVDA in Russian 17 Feb 93 p 1

[Interview with Chechen President Dzhokhar Dudayev by A. Yevtushenko; date and place not given: "State Committee for the State of Emergency on a Chechen Scale. Parliamentary Opposition Accuses President of Attempted Coup"]

[Text] [Yevtushenko] Dzhokhar Musayevich, people are saying that, with your draft of a new wording of the Chechen Republic Constitution, you are preparing a coup d'etat; are you trying to usurp power?

[Dudayev] A year has passed since our republic's constitution was adopted. This time could not fail to reveal its inadequacies. Especially regarding parliament's formation. By no means all the population's strata are currently represented in it. In the new wording of the Basic Law I propose the creation of, along with a house of representatives, a second house—a council, which will be made up of people delegated by various public and religious organizations.

[Yevtushenko] According to your draft, the republic Prosecutor's Office and the Investigation Committee are transferred from parliament's control to the control of the president's apparatus. Could this be what the opposition particularly disliked?

[Dudayev] The parliamentary opposition, it seems, is altogether against a clear separation of the executive and legislative powers. At the moment basically everything is concentrated in its hands. I once told parliament: Take as much power as you can carry away. They took it. But in doing so they obviously got a bit carried away. An elementary example: In one year the sanitary and epidemiological center under parliament did not make a single inoculation. Neither did parliament deal with the Investigation Committee which, without the proper control, turned into a state within a state. There they themselves decide which crimes to work on and which to turn a blind eye to, which cases to refer to the Prosecutor's Office and which to "put the brakes on." So I proposed that these structures be removed from parliament and transferred to the control of my apparatus.

Chechen Parliament Rejects Dudayev Decree on Plebiscite

OW1702183793 Moscow INTERFAX in English 1723 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] On Wednesday [17 February], the Chechen parliament discarded President Dzhokhar Dudayev's decree in regards to the plebiscite on the republic's new constitution which he wanted to stage on February 19. INTERFAX learned this from Ivan Gerikhanov, chairman of the Chechen Constitutional Court.

In his words, its was for that reason that the Chechen Constitutional Court decided not to pry into the presidential decree's conformity with the constitution, suggesting that the Chechen leader might forward his own suit to the Constitutional Court questioning the validity of the parliament's resolution to turn down his decree.

Chechen parliamentarians reason that the adoption of the revised constitution proposed by President Dudayev would be tantamount to enacting presidential rule in Chechnya.

In the meantime, in his televised address the people, Dzhokhar Dudayev asserted that the plebiscite is not a referendum and that its outcome would not automatically entail the adoption of a revised constitution.

National Reconciliation Council Formed in Chechnya

LD1802115193 Moscow ITAR-TASS in English 1103 GMT 18 Feb 93

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Groznyy February 18 TASS—A potentially powerful political force has emerged in Chechnya. The leaders of practically all oppositional socio-political movements and parties and prominent scientists, writers and artists, representatives of national minorities and religious organisations have rallied on the initiative of the Pravo (Law) Faction of the Chechen Parliament and declared the day have formed a council of national reconciliation. Yusup Soslambekov, who is the chairman of the Chechen Parliament Foreign Affairs Committee and the chief of the Parliament of the Confederation of Caucasian Peoples is elected chairman of the National Reconciliation Council.

The council declared that its main aim is to pull Chechnya out of political and economic crisis by peaceful means. Representatives of the council have called on the leaders of the legislative and executive branches of power in Chechnya to give up confrontation which threatens to split society and pool efforts in solving the problems facing society. Their appeals have been broadcast by the media.

The council members rejected categorically reports in the press that events in Chechnya may develop in accordance with the so-called Tajik scenario.

No one in Chechnya is getting ready to, and will not, fight anyone else, writer Said-Hamzat Nunuyev said.

Passions flared anew in the republic on the news of the Russian media comments on the latest developments in Chechnya. Chairman of the State Information and Press Committee Movladi Udugov accused Russian journalists of deliberate fanning of passions in order to destabilise the situation in the republic.

People in Chechnya were particularly piqued by reports alleging that Yusup Soslambekov, who is now sharply critical of President Dzhokhar Dudayev, commands well-trained armed formations as the parliament chairman of the Confederation of Caucasian Peoples and can confront the Chechen president backed by a considerable armed force. The local sources say that the confederation armed force consists of 40 Chechen young men, who are now in Abkhazia, Movladi Udugov said.

An armed conflict is hardly likely in Chechnya. Practically all people here reject this possibility. Preventive countermeasures are being taken. The Groznyy City Assembly has passed a special decision forbidding all units of the municipal police and security service to take part in political struggle in any form whatever.

As it is, the fate of the national referendum on the new edition of the Chechen constitution, scheduled for Friday, February 19, by President Dzhokhar Dudayev, remains unclear.

Moscow Mayor Interviewed on Reform, Privatization

OW1802112993 Moscow INTERFAX in English 0641 GMT 18 Feb 93

[Interview with Moscow Mayor Y. Luzhkov from unidentifed INTERFAX correspondents; place and date not given; from the "Problems & Opinions" feature—following item transmitted via KYODO]

[Text] Y. Luzhkov, Mayor of Moscow, paid a visit to INTERFAX [IF]. There was a broad discussion with reporters which touched upon many aspects of life in the capital and in Russia. One of the topics discussed in the impromptu interview was the situation in Moscow during the economic reforms which are in progress. That was exactly the meaning of the first question put to the head of the capital's administration.

LUZHKOV: It goes without saying that the transition to the market is the primary goal of Moscow's administration. The first thing to do now is to stabilize the economy. It is extremely difficult to continue reforms in the existing chaos, when every day we witness how the ruble's exchange rate drops disastrously and when the entire monetary system may collapse at any moment. It does not take an analyst to see how grave the situation is. And it is Muscovites that have to bear the brunt of the existing situation. It is ordinary people that now experience the results of the wrong steps of the previous Russian government.

At the same time, it should be emphasized here that there are no alternatives to radical economic reform. It is necessary to continue and improve the reforms that were started, though not quite successfully. The primary goal now is to arrest the further economic slump and achieve at least some kind of stabilization. Once this is done, it will be easier to go ahead. Well, if one can draw an analogy here, then I can say that the nation's economy is like a plane going into a steep dive. To prevent its hitting the ground you've got to bring it back on the right course and ensure the stability of flying. The future will depend on what measures the new government is going to take, whether the plane will climb or whether it will go back into a dive.

"IF": Don't you paint the picture too black? It looks as if there are no bright spots in it!

LUZHKOV: Well, certain trends for the best, though quite modest, are evident. There are signs of the development of a market infrastructure which shows itself in various areas. Look, created and operating now are banks, exchanges, trade houses, all kinds of chambers of commerce and industry, insurance companies. A new mortgage house has been founded. All these things shape up the market infrastructure, and you've got to take care of all this.

You can see the ruble "working" again, though in a very poor state, depreciating, I think, to the level of absolute absurdity. I think it hasn't deserved that kind of devaluation: the economy is not dwindling so much as the ruble has fallen. As yet now, if one has the money, you can start construction, you can buy things, do your repairs, purchase any equipment. True, you need a lot of money to do all that, but the ruble is really working, and this is a sure sign of the market.

It won't be easy for the new government. It's got to press on with reforms, and make a powerful attempt to achieve economic stability, or to use a figure of speech, to get out of the dive and start flying horizontally. To climb, you know, is much more difficult than to fall, as was the case with acting Prime Minister Gaydar, who like a dive bomber, had to eject himself.

"IF": And what about the present relations of the Moscow administration with Russia's government?

LUZHKOV: The relationship of Russia's government and the Moscow systems is quite close. We've had already a series of meetings with Viktor Chernomyrdin, Vladimir Shumeyko and other members of the Cabinet. There are regular contacts with many government functionaries of different levels of various agencies.

Some of the administrators have stated quite clearly that they realize what Moscow is, what scale of problems it has to handle and solve in the city, and they promised to lend a hand. You've got to decipher what is meant by "lending a hand": the administration of Moscow does not need help in those questions we can solve ourselves, and for which we are responsible. Take the situation of supply of the capital with vegetables. We don't need any help in this area, though it is true that it would have been much more difficult to solve this situation without the cooperation with the government.

Or take the problem of construction. As a whole, by the results of the past year the construction complex in Russia has definitely failed. As to Moscow, its construction effort is even more impressive than in the past. These are the facts: the plan of the erection of building structures has been fulfilled over 101 percent in the capital, and the plan of the capital investments in the field of construction - by 112 percent. You've got to admit that this is quite unusual for our time. And it is easy to understand why it has so happened: the city managed to retain its construction complex, including the personnel, and found new opportunities for its operations under the present conditions. In this winter there are no problems with the supply of heat: it is regularly supplied to the apartments of Muscovites. And the Mayor's office has some other pluses on the record.

We face now quite difficult conditions and the Moscow government endeavors to solve a whole range of quite difficult problems in a businesslike manner, we try to complain as little as possible, and not to ask for help. Our position is that under any circumstances one can find solution for the problems of the stabilization of the situation and for further development.

I think quite constructive our effort has been in helping industrial enterprises. Unfortunately, you have a host of problems here. Take the problems of the defense complex: their position is especially problematic. They find it difficult to make a transition to the market conditions simultaneously with conversion, i.e., they have to redirect their production from the defense rails to the civilian sector. But the mayoralty tries to be active here as well and render every help, as far as possible.

"IF": What practical steps does the Moscow leadership take to back up the commercial activity of both the state and non-state sectors, to stimulate the development of production?

LUZHKOV: Last year the enterprises faced the most acute shortage of means. And we saw our major goal in taking action to finance their business. It was at that time that the ruble "worked" as a medium of payment, and altogether it somehow smoothed over the rather serious mistakes of the Central Bank which had disorganized the system of payments in the country and with the Commonwealth of Independent States.

It was necessary to get a 20-fold increase of the working capital for all subjects of the economy to make up for the growth of prices. The delays in mutual payments have only worsened the situation. It took only one week to do that in the past but by the summer of 1992 this period was extended to as many as 2 months. There is only one name for it: it was a payments crisis. A cloud of entire collapse was hanging over Moscow.

Under these conditions the mayoralty has rendered effective help to capital's enterprises. Firstly, we managed to squeeze from the Russian government some more quotas on credits to add to the working capital. Secondly, the city administration itself has reached an agreement with commercial banks on providing finance to capital's enterprises. By the by, the banking interests themselves realize how dangerous may be the collapse of the key sectors of industry. If they fall apart, so down goes the whole banking system - the commercial banks and all the other elements of the infrastructure cease to function.

So let's sum it up. The Moscow enterprises got some handsome subsidies which provided for a rather steady

operation of the industry. By the way, the roots of success of the construction complex in the capital go down into this. But if you take St. Petersburg, the construction complex has gone to pieces there.

"IF": So where is the secret of the Moscow builders and what is wrong with St. Petersburg's programme?

LUZHKOV: This can be accounted for by the package of measures that the government of the capital has taken in due time and, of course, it is not just a lucky chance, for we have quite a lot of top experts in the area of construction.

The first thing we managed to accomplish is to retain the personnel able to adopt new working methods in construction and inclined to pursue the reforms further. Secondly, we solved the problems of housing and industrial construction. For example, the sales of the uncompleted objects have become one of the non-traditional sources of money supply. A major role has been played by the participation of commercial banks in all these matters. They have invested handsome sums in the construction, of actually what they have done is investing in property.

The Mayor's office also resorted to the services of state-owned banks, e.g., to the services of the savings banks. Some of the credits were redeemed through the sales of housing. In addition, some of the apartments were auctioneered plus the construction financed by the Muscovites themselves - all these actions served as additional supply of money to carry out the city's social programme - providing free housing for the needy people on the waiting lists of districts. For example, out of 3 million square meters of housing built last year, 2 million were built with the money of Muscovites, and 1 million square meters were given to the poorest in the capital free of charge.

There has also been some restructuring in the city's construction complex. All construction organizations have become joint-stock companies retaining their technological and business associations. As you know, to make all the arrangements with reference to the construction of a new object, you need as many as 200 various signatures of approval and stamps.

Yes, we have a serious disproportion on the Moscow construction scene. What went smoothly was a stage of construction design and engineering work, the service lines were laid and it took little time to erect the "shell" of a house. However, the finishing jobs were lagging behind quite substantially. True, there has been some improvement in that direction as well. What the mayoralty decided to do was to invite the enterprises for finishing work at the city construction sites in exchange for provision of apartments.

In today's conditions very few organizations in Moscow can afford carrying out their own housing programme, but every working collective has those who need improvement in housing conditions. By inviting the personnel of enterprises to participate in finishing work, we provide them with 25 percent of apartments in the houses the construction of which they finish. You've got to admit that if we did not take this method last year, we would have got 800 thousand square meters less.

Well, at first glance, you may think that this is a primitive approach, but it is not accidental that they cannot solve this problem in St. Petersburg. Some democrats in St. Petersburg believe that if a person looks impressive when he is on the stand, he can find a solution for any problem, and that his flaming speeches can leave no stone unturned.

"IF": How do you come to mutual understanding with commercial structures? You can speak in this case about billions of roubles.

LUZHKOV: Today there are rather many small, medium-size and large-size commercial production enterprises in Moscow. Of course, there are such structures in construction business too. Naturally, they have a lot of problems. They have to find a tract of land, or get a building for reconstruction. Many of them are ready to construct their own apartments or ready to pay for the construction of housing, space for offices. The executive branch in Moscow is in cooperation with the commercial structures and facilitates the solution of these and other issues. When providing land or premises for commercial structures for the purpose of production the Mayor's office makes it mandatory that the project incorporates the provisions for ecologically beneficial requirements and high technologies. The land and the buildings granted to the enterprises are paid for and further on the work is carried out together with the municipal structures. In essence it is the commercial structures that shoulder the burden of financing these objects, and, practically, they run up all the expenses for the mayoralty itself happens to be in financial straits.

This is the way the capital's administration managed to attract the enterprising entrepreneurial capital to work for the solution of the city's problems on the basis of new organizational principles. And that not only "kept us afloat" but allowed us to make a step forward in the area of the urban development. And now we can look into the future with greater certainty. Let us put it this way: in practice Moscow enterprises have already gone through the shock period when there was nothing clear all around, when the monetary system and materials supply just developed. This goes back to 1992, and it was the most difficult time for the urban business. And now the most difficult times are behind. Recently, when meeting with Mr. V. Chernomyrdin, the Premier, Moscow industrialists said that now they felt surer.

"IF": What about the goals of the Moscow administration in 1993?

LUZHKOV: For 1993 the programme of action is ready, agreed and announced. For example, right now Moscow

has already 9 thousand privatized trading enterprises. At the end of February half a million city apartments will be owned by their owners.

It is a pity, but privatization process also ran into difficulties. Added to the previous problems was a host of new ones, which grew out of the wrong approach to privatization itself at its initial stage. Thus it is imperative to see in a new light some essential elements of the programme. For example, as far as the transfer into private hands of the city shops is concerned, we should be grateful to our destiny for the fact that, in spite of all the hard pressure put on us by all those around, we did not agree with that version of privatiZation offered, for example, by famous economist Larisa Piyasheva.

At that time the Mayor was reproached with sticking to the old nomenclature line, with halting the avalanche (i.e., total) privatization process. And now, when we have looked around quite well, when we've gone through the past, we can say for sure that we were on the right track. going into privatization, one should take account not only of the interests of a certain working collective with their desire of becoming an enterprise property owner. As a matter of fact, this issue has many concomitant philosophical, moral and even material aspects. One should reckon for the diverse interests of Muscovites, including those segments of population that lack social protection.

Some theoretically minded scientists were in favour of such types of privatization when the sales of premises becomes a farce, for the sales price for each meter of space in no way corresponds to its real value, i.e., it is artificially reduced, nor the expenses incurred by Moscow are taken into account.

So, many people put it this way: why should you give the real estate, i.e., property, to one or another working collective for sheer trifle, when each of the Muscovites, each of the Russians has already got his voucher (or privatization cheque), and thus should be placed in the same conditions as a person, let us say, a salesman of a shop whose personnel want it to become their own property.

Well, I am in favour of freedom, but for that freedom which grants rights to an individual but not to the detriment of other individuals who also enjoy the same rights. A shop owner is free. He may turn his bakery into an electronics shop and this way limit the bread sales to the population. It is to his advantage, for electronics does not become stale every day in contrast to the bread, plus the profit - you can expect a much higher profit dealing with the electronic gear! Under the circumstances the mayoralty has decided to sell only quite small retail outlets and only taking into account the interests of Muscovites.

"IF": And how are you going to handle the large-size businesses?

LUZHKOV: As to the large-size businesses, the picture is not quite attractive there, while the Goskomimushchestvo does not seem to notice it. When valuating an object, they take into account the remaining value multiplied by some sort of coefficient.

As to me, I'm convinced that a piece of property may be sold to somebody only by an owner. This must be his sacred right. So it is he who should decide whether to sell it off right now, or some time later. In my view, bearing in mind the interests of business, we may wait for some time before selling the city property, and this is recommended so not because I'm against privatization - you can't blame me for this. The main idea here is to pay heed to the interests of Muscovites.

Now look into it: if now, when inflation is rampant, and the value of an enterprise is given as one million roubles, then tomorrow it becomes a zero. And this way both the city and Muscovites lose what they have created with their own endeavor, and all the gain goes to the one who bought the object for a song.

Take a taxi fleet. It's a gigantic complex, fitted with all kinds of equipment, having premises and offices for work and leisure, as well as rooms, cafeterias, multistorey garages. Following the methods advanced by the Goskomimushchestvo, all this, let us say, valued for 12 million roubles. So, the question is: why only few of the Muscovites, only those who work for the garage should get all this property just because they are there? What the Goskomimushchestvo does, is, actually, selling property of all Muscovites, earned and built by them, into the hands of a handful of people. Quite recently a director of a large furniture plant paid a visit to the Mayor's office, he is quite an experienced businessman and it took him no time to realize what the private property was all about. So he privatized his gigantic furniture-making enterprise already in 1990, and by now he paid off all his credits. Now his combine is deriving billions of roubles, and his net profit is as large as 20-25 percent. And just don't forget: he bought it all for a song. Is it just? I think, it isn't. What sort of democracy is this? Well, I'd like to remind you that I was at the very start of the cooperative movement in Moscow, and I dare say that I contributed quite a bit to its development, although the good things are fast forgotten. You can't reproach the Mayor's office with slow rates of privatization: 9,000 objects and about 500 thousand apartments - this seems to be a rather high level of the growth of the amount of property for any city. As to what is happening now, I think, it causes concern. The capital's administration had to halt the process of privatization because of its disagreement with the methods of property calculation.

One of the major reasons why the communists lost control of the power is their negligent attitude toward the property and toward the sacred right to dispose of it. As a result, the country lost its best talents, and respect for those who create the wealth of the nation. And you've got to draw your conclusions and learn your lessons from it.

The Mayor's office does not possess property but it represents the interests of the owner, i.e., the interests of Muscovites. That's why we do not want to sell enterprises for a song now, while their actual price is billions of roubles. When solving a problem like this, one has to resort sometimes to the old methods of administration. And the government of the city employs these methods not to back up the old system but to halt those negative developments which sooner or later may grow into the dissatisfaction of the people in the extreme forms.

So we put this question before the Goskomimushchestvo. You see what happens is that very often the opinion of Muscovites is not even asked, though it is the Muscovites who should become owners of all the city's property, and as to the opinion of the city's administration, the administration acting as the representative of owners, our opinion is not even taken into consideration.

So what is it? Doesn't this tactics repeat what we have already done in our society with reference to an owner and hasn't it led to the tragic consequences? Now for Russia to get out of this situation it may take many years, years of hard effort, pain and losses.

My opponents think that fast and total sales of the property in Moscow is a good chance of speeding up the process of privatization. But why should we hurry up here and do it in a bad way?

The best policy to act under the circumstances is to act quietly, showing shrewdness. Make sure to help invest vouchers cleverly, practically, the vouchers of all the people of Russia. You can't just take and give it away for a sheer trifle, the way Russia lost its Alaska. The precious property shall belong to citizens and not to a handful of individuals. And it does not matter what kind of working collective it may be - it may be even a very esteemed collective.

Because of this kind of privatization Muscovites do not get what belongs to them. They are losing considerable amount of facilities that might have improved the lot of the deprived, that might have been used up for repairs and improvement of the city roads and highways, for modernizing the operations of the municipal transportation, for buying modern municipal transportation vehicles and so on. Now, what really happens is that all that money settles down in the pockets of a small group of individuals. So I can sum it up by saying that what is now going on under the slogan of privatization is actually the stealing of property in the interests of the so-called "working collectives". And what about the rest? What will they get?

Moscow Mayor Suspends Economic Links With Latvia, Estonia

MK1702141693 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 16 Feb 93 p 1

[Statement by Moscow Mayor Yuriy Luzhkov; place and date issued not given]

[Text] Considering that it was the people of Moscow who were the first to stretch out a helping hand to the Baltic peoples when they launched their struggle for national independence and the restoration of historical justice, Moscow City Hall is profoundly concerned over the position of hundreds of thousands of Russian-speaking citizens of the former Soviet Union residing in Latvia and Estonia, and the violations in those countries of the international norms of human rights, including the inalienable right to live in the country of one's birth and where one has lived for a long time.

The state authorities of Latvia and Estonia are depriving non- native people of their civil rights and liberties, the right to own real estate and to enjoy social protection. They are restricting the possibilities for people to engage in entrepreneurial activity and receive a decent education in their native tongue, and are in fact pursuing a discriminatory policy aimed at forcing persons of non-native ethnic origin to emigrate.

The Moscow City Hall cannot look on indifferently at its compatriots' lack of rights in those countries and deems it its moral duty to participate in programs facilitating the position of the non-native population in Latvia and Estonia.

Moscow City Hall considers it impossible to maintain economic and trade links with Latvia and Estonia as long as those countries discriminate against and infringe on the rights of their Russian residents, and it therefore urges the Latvian and Estonian Governments to review their actions toward the Russian population of these countries.

Moscow City Hall will continue to monitor closely the human rights situation in Latvia and Estonia, and will adjust its position in line with the steps taken by the state authorities in those countries.

[Signed] Moscow Mayor Yuriy Luzhkov

Defense Plant Struggling Under Conversion

PM1702130593 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0820 GMT 14 Feb 93

[From the "Behind Seven Seals" section of the "Military Review" program]

[Excerpts] [Unidentified correspondent over "Behind Seven Seals" logo and views of city of Dzerzhinskiy] It appears that Moscow Oblast is full of genuine mysteries and marvels.

Take Dzerzhinskiy, for example, a quiet and at first glance unremarkably small city. Few people know that it has a long and glorious history. The settlement grew up around the walls of the Nikolo-Ugreshskiy Monastery founded by Dmitriy Donskoy to mark the victory at Kulikovo Field. [passage omitted]

[Same correspondent over video of icon] Permission was only recently given to write about life, an outwardly unremarkable life, in the city named Dzerzhinskiy. Yet without it, without this small city, there would have been no victory in the Great Patriotic War, there would have been no invicible and legendary army during the years when the Soviet Union was the bulwark of peace throughout the world. Without this city Russia's present-day army could not exist either. The point is that the powder without which no automatic weapon can be fired is made here. And so is the rocket fuel without which no projectile can reach its target.

But then suddenly conversion burst on the scene. Conversion, which had been shrewdly and minutely calculated by someone. Many scientists and engineers soon grasped that their level of knowledge did not correspond to the level of technologies required for the production of pots and pans and other kitchen utensils. Fortunately there were also people who realized this. You want consumer goods? You can have anything from anticorrosion coatings and sanitary ware to first-class catamarans. But clever heads decided that this was not the ultimate solution and proposed that their potential be used to the full.

There are forest fires and fires on aircraft. People perish in the flames. Freon-based substances have been used throughout the world to fight such fires. But this has destroyed and continues to destroy the planet's ozone layer.

A fundamentally new substance has been created at the Soyuz Science and Production Association. Many major Western companies are trying to acquire these technologies.

[Zinoviy Pak, general director of the Soyuz Science and Production Association] When a major company like Metall Gesellschaft Dynamit Nobel, which is renowned throughout the world for its technologies—incidentally, it is also active in the sphere of rocket technologies—comes here and is prepared to spend a lot of time in order to conclude a contract with us for the delivery of our output to them, a contract such as we signed today, it is surprising that partners in our own country, our own industry, are essentially unaware.

[Correspondent] So what else can be made from rocket fuel? For example, the best drug in the world to treat stenocardia, cardiac infarction, and other ailments.

[Pak] Unfortunately, this drug has not yet won the market which exists, and simply must exist in Russia and the CIS. The reason for this is that until now the preparations available at pharmacies have been purchased abroad for hard currency. We have almost shut down our production. But there are clear indications now that the hard currency has run out. It is no longer possible to purchase drugs for hard currency. And I believe that in the near future our preparation will, after all, find a worthy place in pharmacies, and that our production facilities will operate at full capacity.

[Correspondent] Instead of rocket fuel, the Soyuz Science and Production Association is now offering sophisticated technologies which have no parallel in the world. For example, in the production of artificial diamonds.

[Pak] There are very many such advanced developments where Russia holds a leading place. But we are on the brink of losing them, losing them totally and irretrievably. The collective does not known how to preserve the potential which ensures Russia's defense capability. This is because people increasingly believe in conversion, in civilian output. And it is becoming increasingly more difficult to retain the best specialists in spheres which ensure the state's defense capability.

[Correspondent] Misconceived conversion dealt a heavy blow to the defense industry. And this has rebounded on the lives of thousands upon thousands of workers in this industry. Dozens of cities like Dzerzhinskiy are threatened with extinction. Could a supernatural will to survive prove to be the only antidote to unwise decisions?

Commercial Banks To Handle Moscow Budget Appropriations

PM1702091593 Moscow IZVESTIYA in Russian 9 Feb 93 p 4

[Report by Irina Demchenko: "Moscow Government Empowers Commercial Banks To Distribute State Credits"]

[Text] The Moscow government has authorized two commercial banks—"Most-Bank" and one of the banks in the "Menatep" Association—to manage some budget appropriations. The issuing of the first credits to enterprises in the capital will begin this week, apparently.

Hitherto official administrative organs in Russia have appointed, as a rule, state financial institutions as authorized banks (or agents). This is a first in Moscow, and experts here find it difficult to recall similar cases where budget credit authority has been transferred to new commercial banks, formed on the basis of nonstate capital.

The funds, which will be handled equally by "Most-Bank" and "Menatep," amount to 7.5 billion rubles, allocated by the Russian Finance Ministry to replenish Moscow enterprises' circulating capital and settle the nonpayments crisis. Enterprises that are to receive preferential loans are recommended by the capital government's finance department, which also oversees the distribution of credits. But these recommendations are not binding: The final decision on the selection of credit recipients is made by the banks themselves. The main condition is that the resources will be repaid.

The credit, as ever, is granted at nominal interest rates: The banks get it from the Central Bank at 10 percent per year and issue it at 13 percent for the period up to 1 July 1994. The three-percent difference is so-called bank income.

Obviously, given inflation of 3,000 percent per year, such an infinitesimally small income cannot be seen as an end in itself or even as sufficient compensation for the trouble. Clearly, both banks are primarily interested in being the first to gain a foothold on the new bridgehead and then secure the right to aspire to handling vast Moscow budget sums, and this is why they are prepared even to risk their own money.

Yakut President on Referendum, Moscow Ties

MK1802100793 Moscow NEZAVISIMAYA GAZETA in Russian 18 Feb 93 pp1,3

[Interview with President Mikhail Nikolayev of Sakha, Yakutia, by Radik Batyrshin; date and place not given: "Speculation Over Referendum Will Lead to Nothing Good. President Mikhail Nikolayev of Sakha (Yakutia) Is in Favor of Uprightness"]

[Text] [Batyrshin] The recent session of the Council of Heads of Republics showed that this body has "outgrown" its consultative status.

[Nikolayev] The Council of Heads of Republics is currently part of the Russian Federation Security Council. In my view it should be formally constituted so this body could then do a very great deal toward stabilizing the situation in Russia. Essentially our Russia's statehood is largely dependent on the republics' attitude to it. This attitude will be determined by whether the Declaration of Republics' Sovereignty, their constitutions, and the Federation Treaty become the basis of Russian statehood. Only in this way will we be able to ensure the stability and might of the Russian Federation. The mechanism for implementing the Federation Treaty and other agreements between the center and the republics are questions which the Council of Heads of Republics should decide.

[Batyrshin] Some people consider the instability of the federal authorities to be one of the main causes of the economic crisis...

[Nikolayev] I consider that the instability in the Russian corridors of power is a passing phase. It has developed because the forms of government in the Russian Federation are undecided. This uncertainty has led to a constitutional crisis. I often repeat that the people of Russia expressed themselves in favor of introducing a presidency. But there is no clear-cut demarcation between the president and parliament. The legislature is trying to retain the executive functions it used to have before the presidency was introduced. I think that a congress or the new Russian Constitution should clearly demarcate the powers of the president and parliament. I am convinced that we are in a transitional phase which will be marked by instability. This transition will last not for the infamous 500 days or until the fall of next year but much longer. And we in Russia have to realize this. During this period the system of power and government must match the characteristic features of the transition. But the draft of the new constitution does not take this factor into account. This draft is designed for a stable society and is therefore not accepted by many political forces.

[Batyrshin] Does this mean that the very concept of the new constitution is unacceptable to you?

[Nikolayev] I have repeatedly stated that the draft ignores the decisions of the Congress of People's Deputies, which decided that the Federation Treaty must be a component part of the new constitution. But the Federation Treaty is nowhere to be found in the draft constitution because its individual provisions are "scattered" among various articles. Furthermore, even during the times of stagnation the autonomous republics had the status of a state. But the draft of democratic Russia's new constitution does not recognize this, thereby ignoring the Federation Treaty and the existing Russian Federation Constitution. This is why I told the January session of the Constitutional Commission that Oleg Rumyantsev should quit as executive secretary of the commission. Because Rumyantsev's intellectualism [eruditsiya] and outlook prevent him from getting the draft constitution onto the right track. Second, the executive secretary of the Constitutional Commission ought to be upright. Whereas Rumyantsev will say one thing in the provinces and something different in Moscow. How can you agree when the executive secretary of the Constitutional Commission states that the time has come to bring pro-Russian forces to power in the republics, for which they should be provided with money?

Furthermore, Oleg Rumyantsev has turned the Constitutional Commission into his own little monopoly. Thus, despite repeated agreements to the contrary, experts from all the republics have not been allowed access to the Commission. In the process narrow-minded conclusions about the republics' constitutions are presented as full-scale expert assessments, which Rumyantsev uses as a basis for trying to "win" decisions in the Russian Federation Supreme Soviet. This is just dishonest. Therefore such a person cannot head up this supremely responsible work.

[Batyrshin] As NEZAVISIMAYA GAZETA has reported, Vice Premier Sergey Shakhray has proposed that the components of the Russian Federation become guarantors of a constitutional covenant between the president and parliament. Would you agree to take on such a role?

[Nikolayev] Yes, but on one condition—if they keep their word.

[Batyrshin] ? [as published]

[Nikolayev] A simple example: The decree approved by the Congress on stabilizing the constitutional setup in Russia talks about holding a referendum on the fundamental principles of the Russian Federation state structure. But the Russian Supreme Soviet Presidium is now supplementing this with a provision stipulating the holding of early elections.

[Batyrshin] At the Council of Heads of Republics session you spoke against a referendum.

[Nikolayev] The fate of the referendum must be determined by the attitude of the components of the Federation, not by various groupings and parties. These politicians, these apologies for democrats who failed to get jobs in the state apparatus, wish to plunge us into chaos and rally-mania in their pursuit of these jobs. The referendum decision is being exploited by the forces seeking instability in Russia. How can you talks about a constituent or constitutional assembly when the existing constitution determines just one body for this—the Congress of People's Deputies. The existing constitution must not be violated in order to adopt a new one. I propose a moratorium on referendums in 1993. It is necessary to tackle the economy: In January alone production in the Russian Federation fell 23 percent in comparison with last year. But where the political situation is stable—as it is in Tatarstan or in our republic—the decline in production has slowed. Thus, a growth in production rates can be observed in Yakutia's coal industry. Crime has begun to threaten Russia's state system, and combating it must be the prime occupation, not political squabbling. It is therefore clear that holding a referendum and speculation over it will lead to nothing good.

[Batyrshin] There are fears in some republics that the wording of the referendum will be used to insinuate provisions detrimental to their sovereignty.

[Nikolayev] I am afraid that the referendum questions will not be worded clearly and people will not understand them. Moreover, people remember the outcome of the referendum on the fate of the Soviet Union. Where is the guarantee that the results of the referendum will be put into practice? I don't know.

[Batyrshin] What problems are there today in relations between Yakutsk and Moscow?

[Nikolayev] First is the inadequacy of Russia's credit policy. I keep telling everyone that we spend nine months stockpiling freight for the Arctic shipping season. We cannot afford the credits for them nowadays. If credit is turned around quickly, you can accept an interest rate of 80 percent. But our credit takes a year and a half or two years to turn around. Consequently for us the interest rate becomes not 80 but 160 percent. The center is totally unable to grasp this. The second problem is the future of the Arctic fleet. The Soviet Union's single fleet has broken up, and the Arctic is left without tankers. Last years we had great difficulty reaching an agreement with Latvia. Whether we will succeed this year is unknown. There are no good nuclear icebreakers left any more. And the most important thing is that it is not clear who is responsible for the Arctic fleet in Russia. Yet the fate of people living in the Arctic depends directly on this fleet. Last year tin extraction in the Russian Federation fell 50 percent, and Yakutia is the biggest supplier of this metal. The reason is that formerly the State Committee for Material and Technical Supply used to take our tin on the spot. Now we have to transport it to Novosibirsk. Tin from the Arctic arrives there a year later. The enterprises do not have the money to pay for transportation, because they have not sold their output. And if you have not sold your output, you have no funds for transportation. This vicious circle can only be broken with the help of the center. There are lots of questions of this kind. We should sit around a table and resolve them once and for all.

International Affairs

Kinkel Announces Kohl To Visit Kiev 'Summer 1993'

OW1702163393 Moscow INTERFAX in English 1519 GMT 17 Feb 93

[Report by diplomatic correspondents Andrey Borodin, Dimitry Voskoboynikov, Igor Porshnev, and others; from the "Diplomatic Panorama" feature—item transmitted via KYODO]

[Text] In summer 1993, German Chancellor Helmut Kohl is expected to arrive Kiev. Together with Ukrainian President Leonid Kravchuk they will sign a declaration on the basis of German-Ukrainian relations. This plan was announced at a press conference on Tuesday [16 February] in the Ukrainian capital by the German foreign minister, Klaus Kinkel. During his visit the parties initialed the already mentioned declaration, signed agreements on cultural cooperation and a protocol on the training of management personnel.

The German minister emphasized that due to internal problems his country cannot help member-countries of the CIS now, including Ukraine, "as they would have wanted." According to him the granting of credits to Ukraine will depend, first of all, on how successfully Ukraine itself will resolve her economic problems.

At the same time Kinkel said the FRG intends to render consultative aid to Ukrainian reforms and will be sending a representative to Kiev to deal with the question of German investments.

He noted that Germany granted Russia, Ukraine and Belarus one billion marks for the payment of compensations to those who suffered as a result of Nazi persecution during the second world war. The German representative will not determine how this sum is used.

At the press service of the Ukrainian foreign ministry an INTERFAX correspondent was told that local experts are preparing a proposal on that part of the amount which Kiev can claim for her own citizens.

Industrial Espionage Attempts Averted in Dnepropetrovsk

WS1802111993 Kiev KYYIVSKA PRAVDA in Ukrainian 4 Feb 93 p 1

[Unattributed report from the "Ukraine an the World" column: "Attention: Industrial Espionage"]

[Text] According to the conclusions by the analytical center of Dnepropetrovsk Oblast Directorate of the Ukrainian Security Service, industrial espionage has recently increased in the area. Attempts on the part of Western and Chinese citizens to collect information on scientific research and development by the oblast specialists and scientists have been averted. The local customs have prevented shipping to Israel of technical specifications for unique fault detector and casting machine prototypes.

Procuracy Says Republic Maintaining UN Sanctions

LD1802112393 Kiev Radio Ukraine World Service in Ukrainian 0600 GMT 18 Feb 93

[Text] Ukraine is steadfastly keeping to the relevant UN Security Council sanctions regarding Yugoslavia. This was reported at a news conference at the general procurator's office. It was noted that during a thorough check it was established that not a single vessel was loaded with oil products at Ukrainian ports, and did not enter them, even in transit, with the aim of further passage to Yugoslavia. It was stressed at the news conference that employees under the procurator's supervision, together with groups of foreign experts, on the basis of international norms are controlling precisely the situation at Ukraine's ports.

Minister Says Russia To Be Charged World Price for Goods

LD1802094893 Kiev Radio Ukraine World Service in Ukrainian 0600 GMT 18 Feb 93

[Text] The decision of the Russian Government to establish payment for 1,000 cubic meters of gas at the rate of $85 will force Ukraine to take corresponding steps. Viktor Pynzenyk, deputy prime minister and minister of the economy, stressed this in an interview with journalists. According to him, Ukraine will be forced to establish world prices for the transportation of gas, oil, and various cargoes by air and rail transport. However, Viktor Pynzenyk rejected as groundless the assertions of various political figures that Russia and Ukraine have entered a new spiral of an economic war between one another.

Russian Ambassador Views Debt, Nuclear Status

AU1202093693 Kiev MOLOD UKRAYINY in Ukrainian 9 Feb 93 p 1

[Interview with Leonid Smolyakov, ambassador of the Russian Federation in Ukraine, by Olena Hubina; place and date not given: "Ukraine Is Also a Successor With Regard to Debts"]

[Text] [Hubina] Mr. Ambassador, what guarantees on the part of Ukraine do you envisage for those of Ukraine's residents who do not regard themselves as being outside Russian statehood?

[Smolyakov] Yesterday, a newspaper carried a statement by the Savings Bank that was outrageous in terms of its possible consequences. I would like to read a line from it to you: "The allocation and payment of compensation by institutions of Ukraine's Savings Bank are effected on

condition that the holder of the deposit produces his passport or some equivalent document with an obligatory entry certifying that he is a citizen of Ukraine." Unless the Savings Bank publishes a refutation, such statements are in violation of human rights and the social protection of people. They contradict the agreement reached within the framework of the CIS on 14 February 1992 that all foreigners residing on the territory of Ukraine shall retain their property-related or property-unrelated rights.

[Hubina] Local Crimean branches of the National Salvation Front reacted to your interview for the KRYMSKAYA PRAVDA quite unequivocally. They held rallies with a perfectly clear position: Guys, go ahead, Russia will support us. Did you anticipate such a reaction?

[Smolyakov] I think that in the given situation we will not be able to regulate the consequences of any statement. I cannot adjust myself to the tuning fork of any political grouping in the Crimea, Ukraine, or Russia. In the given situation, I was expressing my personal thoughts. The consequences of my thinking are beyond my control. Thank God for that—let people decide themselves what to do.

[Hubina] Ukraine knows about the share of the former USSR's debts that it must repay. At the same time, it knows nothing about the assets. There appears to be information that Russia has already begun to receive something from our common debtors.

[Smolyakov] We must take into account the opinion of the creditors, in this case, of the Paris Club. Yes, we are persuading the Ukrainian side to agree to a zero variant. This is despite the fact that separate payments would be to our advantage. However, we decided on this so that our creditors would agree, first and foremost, to a considerable reduction of the debts, so that we would later work out ourselves how to repay them. We have now found ourselves in a situation in which, as of 1 January, the interest on our debts has been quoted as amounting to a sum such as we never expected. It is the huge sum of 38 billion [monetary unit not specified]. We are forced to agree to paying this enormous capital for the simple reason that Ukraine has declined to accept. However, in connection with this, our other interests have begun to take shape: We must obtain this huge amount of currency somewhere. It may only be obtained by exports that we can sell for hard currency. If the question is formulated in such a manner, doubts may emerge and do emerge within circles of Russian economists and politicians close to the government: Do we really need to be in a hurry to sell to Ukraine the goods—energy resources—that may earn us hard currency?

[Hubina] Can you comment upon the statement by Russia's minister of defense that all nuclear missiles on the territory of the former USSR belong to Russia?

[Smolyakov] I am not aware of such a statement and believe that such a pronouncement could hardly be made at all. In the process of negotiations between our two delegations, there is a dispute on the nuclear status. When we tell Ukraine to recognize those weapons as its own, it does not agree. It would have been to our advantage if you had recognized your weapons as your property—Ukraine must deal with its property on its own. However, this creates a delicate scenario: If you recognize the weapons as your property, you must agree that you are a nuclear state. Meanwhile, time is wasted and the quantity of missiles for which the terms of warranty expire increase. There is no possibility for their maintenance. All of this is due to the fact that politicians cannot find an acceptable formula.

[Hubina] Perhaps many misunderstandings are due to the fact that Russia has unilaterally declared itself as the successor state to the Union?

[Smolyakov] The question of succession was never raised in a such a key as to imply we are the only successors. The very fact that we have assigned Ukraine's share of the debt amounting to 16.37 [percent], indicates that in this part Ukraine also has a right to be a successor. Why do you think that Russia has taken the entire responsibility upon itself?

Plan for Military Cooperation With Bulgaria Noted

LD1802122093 Kiev Radio Ukraine World Service in Ukrainian 1100 GMT 18 Feb 93

[Text] A plan for cooperation between the military departments of Ukraine and Bulgaria was signed following the working visit to Ukraine by a Bulgarian Army general staff delegation. The Ukrainian Defense Ministry press center reports that [Colonel General] Lyuben Petrov, chief of the general staff [and first deputy minister of defense] and the Bulgarian delegation head, met Colonel General Konstyantyn Morozov, Ukrainian minister of defense, and Colonel General Anatoliy Lopata, acting chief of the Ukrainian Armed Forces general staff.

An exchange of opinions took place on the military policies of the states and the prospects of military cooperation, in particular between the naval forces. The talk was about the social status of servicemen, providing them with living accommodation, and the normative basis for undergoing military service.

Black Sea Fleet Sailors Reluctant To Serve

LD1702191993 Kiev Radio Ukraine World Service in Ukrainian 1604 17 Feb 93

[Text] According to data from a sociological poll, the results of which have been reported by the press center of the Black Sea Fleet, 51 percent of sailors of the young intake on surface ships are unwillingly serving in the Fleet. Approximately half of those polled would like to serve near their home. Sociologists ascribe these trends among young sailors to unsatisfactory work in the patriotic education of conscripts.

Homemade Bomb Kills 1 on Black Sea Fleet Ship

OW1302183893 Moscow INTERFAX in English 1704 GMT 13 Feb 93

[Following item transmitted via KYODO]

[Text] On Saturday [13 February] night an explosion occurred on a small missile ship "Mirazh" assigned to Black Sea Fleet. Senior Lieutenant Vladimir Kartashev was killed in the result of the explosion.

According to preliminary investigation, a self made explosive device was blown up on the ship. There are no more casualties.

National Affairs

Dispute Over Constitutional Court Members Viewed

MK1602133593 Moscow NEZAVISIMAYA GAZETA in Russian 16 Feb 93 p 3

[Vladimir Skachko report: "Election of Constitutional Court Could End in Political Furor. Ukrainian Supreme Council Plenary Session Resumes Today"]

[Text] February 16, 1993 sees the resumption of the plenary session of the Seventh Ukrainian Supreme Council session, where one of the main questions is the confirmation of two deputy chairmen and eight members of the Ukrainian Constitutional Court. At present the country still does not have this important body but only its chairman—Doctor of Juridical Sciences Leonid Yuzkov, former juridical consultant to parliament and the president.

Many Ukrainian lawyers and politicians of every rank and at every level have talked about the need to create a Constitutional Court. But the first attempt to confirm candidacies on 20 November last year ended in failure. At the time deputies discussed 10 candidacies (five each from the president and the Speaker) but were unable to confirm anyone, and the session almost had to be abandoned because of the heightened political confrontation. Ivan Plyushch, who was in the chair, asked deputies to "think everything through" again.

The formal reason for the arguments among deputies was articles in the Ukrainian law on the Constitutional Court which allowed various readings and interpretations of individuals provisions. Thus, Article 6 of the law states that a person is eligible to be a member of the Supreme Court if he or she is a citizen of Ukraine who has reached the age of 40, is entitled to vote, and has a higher law education and at least 15 years' experience of practical, scientific, or teaching activity in the field of law. The Constitutional Court is elected for a 10-year term—that is, its powers last longer than those of deputies or the president of Ukraine.

Passions flared over the terms "juridical activity" and "juridical work." Some deputies considered that it is necessary to be guided by the term "activity" as it is a broader concept than "work," but their opponents took vociferous exception to this. But the main factors in the furor were political. In nominating their candidates for the Constitutional Court Leonid Kravchuk and Ivan Plyushch evidently intended to placate various parliamentary groupings, but they did not take into account either the degree of resistance among deputies or the results which various politicians in the republic expect from the Constitutional Court. Deputies from the post-communist majority made no secret of their intention to elect "a court which would revoke the Supreme Council Presidium decision banning the Communist Party of Ukraine without allowing an ordinary court to hear its case." The democrats, while not risking exerting pressure in advance on future Constitutional Court members on the matter of the Ukrainian Communist Party, the ban on which they regard as lawful, talked either about the formal aspect of the matter or about the candidates' personal qualities and sought in this way to change the law on the court in such a way that every candidate would be elected individually by secret ballot and by a constitutional majority. On this latter matter a special amendment to the law was even submitted. And personal criticism was leveled, particularly at Ivan Plyusch's suggestions Mikhail Potrebenko, former general prosecutor of Ukraine famous from the case involving deputy Stepan Khamara, whose arrest in parliament he authorized, and Albert Korneyev, a Donetsk Oblast deputy who at the time refused to vote for the Act of Ukrainian Independence.

The almost three months which have passed since the first discussion of candidacies have made virtually no difference to the mood among deputies. But there are some changes in the configuration of forces in parliament. As is known, 242 deputies' signatures were collected in parliament for a demand that the decision on banning the Communist Party of Ukraine be quashed, and the leaders of the Ukrainian Socialists in parliament are openly stating that the Ukrainian Constitutional Court which is elected will quash this parliamentary decision. These forces' main argument is that the commission formed to examine the activity of the State Committee for the State of Emergency in Ukraine officially stated that the Communist Party of Ukraine did not attempt to stage a coup. But the democrats, who are planning civic hearings under the auspices of Rukh into the criminal nature of the Communist Party of Ukraine and all communist ideology, have decided to continue to demand a change in the law on the Constitutional Court and insist on the candidates' ideological purity in the matter of statehood. On 12 February this year the parliamentarry newspaper GOLOS UKRAINY published a statement by the opposition Narodna Rada which states that the nominations for Supreme Court member both broke the law and violated political ethics. Since, in the intervening months, the above-mentioned Potrebenko and Georgiy Chernov, a lawyer from Crimea

accused of not knowing the state language—Ukrainian—have withdrawn their candidacies, citing the pressure brought to bear on their as the reason for taking this step, the democrats have evidently also decided to "dump" Albert Korneyev, "trading" him for Vladimir Smetanin, the only Narodna Rada representative among the candidates for Constitutional Court membership. They are both people's deputies, and both are accused of not having the requisite length of service in juridical activity and not having a command of the Ukrainian language. Although it is perfectly possible that this "trade" is a sign of a new split in the democratic camp itself, where, as is known, Rukh and the New Ukraine association have fallen out again.

The statement also contains a demand once again to put to the vote the question of the need to elect Constitutional Court members by a constitutional majority, and the document ends with these words: "We declare that we will not participate in the Ukrainian Constitutional Court elections while the aforesaid candidates are on the list." And in principle these words are the democrats' last hope: If their proposal for a constitutional majority wins the day, only then will they be able to block the candidates that do not suit them, because people of a very different kind have a simple majority in parliament today. The future of the vote and the possibility of preventing yet another political furor depend on whose side the parliament leadership takes. And what this leadership has been doing behind the scenes. In any case, there is one point of contact shared by everyone—Ukraine really news a Constitutional Court.

Parliament Appoints Four Members

OW1702181593 Moscow INTERFAX in English 1434 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Ukraine's parliament on Tuesday [16 February] appointed four of the eight candidates nominated by the president and parliament speaker for positions on the Constitutional Court. The four are Albert Korneyev, Mikhail Mikheyenko, Gennadiy Murashin and Vladimir Kisiy. Leonid Yuzkov, the court's chairman, was appointed last year.

Parliament on Wednesday plans to appoint the chairman of the republic's state customs committee and debate the law on the Cabinet of Ministers.

Issues for the current session include the ratification of the START-1 and nuclear non-proliferation treaties and the assets and liabilities of the former USSR.

Kravchuk Continues Tour in Donbass Region

CIS Integration 'Impossible'

OW1702155693 Moscow INTERFAX in English 1433 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Ukrainian President Leonid Kravchuk considers it "vital that the CIS states sign an impartial and fair economic agreement." Speaking at a meeting with workers from the Sukhodolskaya-Vostochnaya mine in the Lugansk region Tuesday [16 February], Kravchuk said that Ukraine's political integration with the CIS was impossible to achieve. He said that this would "split the republic into two warring camps." The president stressed that it was the Ukrainians who had proposed the creation of the CIS in the first place "so that the kind of situation which had developed in the old Yugoslavia did not happen in the former USSR." He emphasized that the CIS, in spite of its shortcomings, had proved its capability for settling major disputes without conflicts.

Regarding the coal industry, Kravchuk said that a miner's pay "should be sufficient for him to be able to purchase all essential commodities and maintain his well-being." He appealed to the Lugansk miners not to take part in the warning strike February 25 throughout the republic's mines which had been designed to secure pay increases from the government.

The Ukrainian president visits the Donetsk region Wednesday.

Arrives in Donetsk Oblast

LD1702132393 Moscow ITAR-TASS World Service in Russian 0900 GMT 17 Feb 93

[ITAR-TASS correspondent Anatoliy Gordeyev]

[Text] Donetsk, 17 Feb (ITAR-TASS)—Ukrainian President Leonid Kravchuk is continuing his tour of the Donbass. Last night, he arrived in Donetsk from Lugansk, and first thing this morning he went off to Donetsk Oblast's Artemovskiy rayon. Here the president will familiarize himself with the work of one of the Ukraine's major pig-fattening complexes, in Uglegorsk, and he will also meet staff at the oblast's agro-industrial complex. In the afternoon, Leonid Kravchuk is scheduled to visit the "Novokramatorsk" machine-building works association.

After that the program of the visit includes meetings with industrialists.

Residents of the Donetsk region were suprised at the choice of places President Kravchuk wanted to see, especially because of the fact that, several days before, participants in massive rallies in Donetsk and other cities expressed no confidence in the president and demanded his arrival in Donbass to report back to his constituents.

"The fact that Leonid Kravchuk did not dare visit major industrial cities and face miners and metallurgical workers confirms again that he remembers well the pledges he made during the electoral campaign. The electors in southeastern regions of Ukraine did not forget them either. Some time ago they gave preference to Kravchuk over other presidential candidates,"

Aleksandr Bazilyuk, co-chairman of the 'Civic Congress of the Ukraine' movement, told ITAR-TASS.

Discusses Rural Problems

LD1702221093 Kiev Ukrayinske Telebachennya Network in Ukrainian 1700 GMT 17 Feb 93

[Text] [Announcer] Leonid Makarovych Kravchuk, president of Ukraine, was in Donetsk oblast today.

[First correspondent] The president of Ukraine was met hospitably, with bread and salt, on Donetsk soil. According to Leonid Makarovych, the mood of miners and metallurgists, and even the political situation in our state, depend on how much we are provided with bread, meat and milk. This is an acute problem for Ukraine today.

Leonid Makarovych did not, therefore, go to look round the pig farms of the Uglegorsk complex, but straight away started a conversation of principle with those who work here, because people in rural areas decide the matter of providing us all with food products. One hundred thousand pigs are fattened at this complex each year. They get 600-700 karbovantsi per kilogram. Why then does a kilogram of beef or pork in the shops, asked Leonid Makarovych, cost 1,500 coupons? There is only one answer—meat processing enterprises and commerce put on a double price. Incidentally, they (?often) do not pay the villagers the money for meat, and are already 6 billion karbovantsi in debt to them.

Here is another such fact. (?Before) last year the collective and state farms of Donetsk Oblast reduced their stock of pigs and cattle by 20 percent, and of poultry by nearly half. Yuriy Smirnov, representative of the president in Donetsk Oblast, recognized this as the fault of the directors of agricultural production in the oblast. Vice Premier Demyanov, who is accompanying the president on this trip, termed this simply a crime.

In Donetsk Oblast, of the total volume of oil, only 45 percent is sent to rural areas, but 70 percent is needed. This shows that the oblast administration does a ppor job in controlling the delivery of oil products to rural areas.

Viktor Yushchenko, chairman of the National Bank of Ukraine, said at a consultation that the bank directs the largest part of credits to meet the needs of rural areas, so that fuel, lubricants, herbicides, and mineral fertilizers can be bought in time for the spring field work, and at a good agricultural-technical level.

Ending the meeting with agricultural employees of the oblast, Leonid Makarovych Kravchuk emphasized that only the consolidation of all political forces and movements will normalize the situation in Ukraine. Only on this foundation can the state as a whole resolve the problems of providing food products for the population, and can Ukraine be extricated from economic crisis.

[Begin recording] [Second correspondent] What are we to do in the rural areas, so that we can have meat, milk, and bread, especially as, according to you, even the Queen of England envied our land as so fertile and rich. Can't we manage it, or what? And so what is to be done in the rural areas?

[Kravchuk] Well, time is needed for us to go over to new relations of parity between village and town. This is one of the main problems today—the absence of relations of parity. Well, for example, the American farmer does not have a problem. He does not buy oil and gas any cheaper than we do, but dearer even, if one is to convert according to the current exchange rate, say the dollar to the karbovanets. But this problem does not arise for him. Because prices are on a par. And so. And he recovers his expenditure. Until the village is able to recover its expenditure, it is unrealistic for one to expect that it will now produce products in the market free of charge.

Second, there is a collective farm, say in Donetsk Oblast, two collective farms next to each other. One has a harvest of 60 quintals, and one has 20 quintals. And so, this is the second problem. Even under these conditions, (?as you see), there are various indicators. Until one reaches indicators that provide a flow, a certain return on expenditure, there will be nothing once again.

That is, there are two problems—parity, and the quality and volume of production. Until they [changes thought] they are mutually interconnected, because this is one vicious circle, you understand. If one is not there, then the other is not there either. Then the collective farm, or the state farm, or a farmer, or a private farm, will be able to buy everything itself, provide everything itself, and produce, and we will buy. [end recording]

Meets With Industrialists

OW1702211193 Moscow INTERFAX in English 1932 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Ukrainian President Leonid Kravchuk speaking at a meeting of regional industrialists in the mining city of Donetsk on Wednesday [17 February] said industrial troubles were largely caused by a weakening of economic contacts with CIS manufacturers. He said the government-proposed plan for a revival of the Donetsk region was aimed precisely at cementing ties with Russian and other CIS producers.

Speakers at the meeting pointed to a further slump in coal-mining, steel, petrochemical and engineering industries. The situation is also aggravated by an inadequate banking system. This together with fuel price rises and pre-payment for produce paralyses industrial sectors leading to widespread insolvencies.

Views Economy, Ties With Russia

LD1702213093 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 17 Feb 93

[By correspondent Kondaurov from the Donbass, including recording of remarks by President Leonid Kravchuk; from the "Novosti" newscast]

[Text] [Announcer] Ukraine President Kravchuk had a difficult day today. He spent it in Donbass. I will remind you that a few days ago participants in a rally attended by many thousands in Donetsk and other towns expressed distrust of the president and demanded that he come to Donbass to give an account of himself before the voters.

[Kondaurov] The Donbass, which makes an enormous contribution to state revenue, is receiving almost 40 percent less meat and dairy products than previously. Problems of machine-building combines were examined at the Novokromatorskiy machinery plant, the largest in the CIS. The factory's work force put to the president questions on fair pay for work and on the intolerable and ever-rising prices for food and essential goods. The president of Ukraine met the corps of directors of the oblast and industrialists, and discussed with them how to push economic reform forward in Ukraine, and how to halt the continuing industrial decline. The president was asked many questions about relations with Russia.

[Kravchuk] There are economic links. They are inconvenient and unprofitable and unbalanced. Why do we need them? Perhaps they are unprofitable for Russia as well as for Ukraine. We have to support what works today. But if we start talking about the domestic, family, cultural, or spiritual level of means for this task [as heard], then we must not allow a break in relations under any circumstances. That would be harmful to our peoples.

New Air Force Commanders Appointed

LD1702185493 Moscow ITAR-TASS World Service in Russian 1748 GMT 17 Feb 93

[By UKRINFORM correspondent Sergey Balykov for TASS]

[Text] Kiev, 17 Feb —Lieutenant General Vladimir Antonets, former commander in chief of the 14th Air Army, has been appointed commander in chief of the Air Force of Ukraine by a decree from Ukraine's president.

In connection with the unification of the air force and air defense troops into the Air Force of Ukraine, Ukraine's defense minister has also issued his own order. He has introduced two posts of deputy commander in chief of the Air Force of Ukraine. Lt. Gen. of Aviation Valeriy Vasilyev has become commander in chief of Aviation and deputy commander in chief of the Air Force of Ukraine. Lt. Gen. Mikhail Lopatin has been appointed commander in chief of air defense troops and deputy commander in chief of the Air Force of Ukraine.

Kiev Transportation Workers on Strike

LD1602164393 Moscow ITAR-TASS in English 1535 GMT 16 Feb 93

[By ITAR-TASS]

[Text] Kiev February 16 TASS—Trolleybuses and tramcars did not go on the city routes from all Kiev depots today, with the exception of the Taras Shevchenko depot. Drivers of several bus depots also joined the strike of electric transport workers.

The strikers demand the increase in wages up to the size of ten minimal wages, ensuring safe conditions of work for drivers of the city transport, as well as the settlement of the housing problem for workers of their enterprises.

'Illegal' Strike Continues

OW1702181393 Moscow INTERFAX in English 1433 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Kiev tram and trolleybus drivers on Wednesday [17 February] continued their strike action which they began yesterday.

The strikers' demands are for a pay increase from 17-19,000 karbovantsy to a 46,000 minimum. They also insist on regular supplies of spare parts and housing accommodation.

The city's metro and buses are working as normal. City residents are also travelling to work by transport provided by their employers.

Ivan Saliy, a spokesman for the president, said in Kiev Tuesday that the strike was illegal and that if it continued "the city of Kiev would consider itself exempt from all obligations to the drivers." He intended to request the president to authorize the army to cover for the striking drivers.

The city's prosecutor general will on Wednesday decide on penalties for the strike's organizers.

Rukh Condemns Strike

OW1702212593 Moscow INTERFAX in English 1933 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] The most influential political organization of Ukraine, the Popular Rukh [Ukrainian People's Movement for Perestroyka] has sharply condemned a strike staged by tram and trolley-bus drivers in Kiev. In a Rukh statement made public in Kiev Wednesday, the strikers' actions were described as "anti-state attempts to paralyze the functioning of the city with multi-million population during the winter period so difficult for Ukraine". The Rukh urged the authorities to punish the real organizers of the strike.

In the meantime, representatives of the Ukrainian Prosecutor's Office said at a press conference on Wednesday that it has no intention of urging legal proceedings against organizers of the strike.

The day before Ukrainian Vice-Premier Viktor Pynzenyk said that the government would not accept strikers' demands for an increase in salaries from 17,000-19,000 up to 46,000 karbovanets. "Otherwise we would be unfair toward the majority of citizens who are much less paid", he noted.

Cabinet Discusses Economic Decree Package

LD1702222593 Kiev Ukrayinske Telebachennya Network in Ukrainian 1700 GMT 17 Feb 93

[Text] [Announcer] A sitting of the Cabinet of Ministers of Ukraine took place today, at which a package of government decrees was examined.

[Correspondent] These decrees concerned in the first place such important issues for our economy as currency control and currency regulation, and the procedure for settling accounts in foreign currency. It is no secret that our young state absolutely does not have enough currency funds. Therefore, it has been decided to bring order to this sphere; after all the incompleteness of legislation makes it possible for state enterprises and commercial structures to conceal significant funds in freely convertible currency.

It is envisaged that 50 percent of incoming currency be sold on the inter-bank currency market for the stabilization of the Ukrainian karbovanets. The greatest debates did flare up around this figure. Prime Minister Kuchma is certain that all currency earnings of enterprises and organizations should be sold to the state. Otherwise we will not survive. Final agreement on this point was not reached.

The draft decree on providing agriculture with products which are imported for carrying out spring field work was also examined. It is planned to allow agricultural producers to sell 2 percent of their produce for export. Incidentally, these barter transactions will not have value added tax and customs duty imposed upon them.

The draft decree, which envisages transferring the function of managing property to state construction corporations, caused quite a few objections. This is not strange, because in this way these organizations entirely rid themselves of ministerial tutelage, and are set free.

A whole series of important issues of state life were also examined at the sitting of the Cabinet of Ministers.

Government 1993 Economic Program Outlined

OW1702191793 Moscow INTERFAX in English 1842 GMT 17 Feb 93

[From the "Profile" section of the INTERFAX "Business Report"—item transmitted via KYODO]

[Text] The Ukrainian government, worried by the general economic crisis and staggering inflation, exceeding that in Russia, has developed a plan to end the crisis in 1993. The plan passed by Parliament in early February proposes curbing inflation by tightening financial policy, stabilizing production (production fell 9% last year, and national income was down 14%), and conducting "small" privatization.

The new Ukrainian government with Leonid Kuchma at the helm, formed last autumn, will base its policies on experience gained from analyzing Russia's program to move to a market economy. The popular opinion is that the purely macroeconomic orientation of Russian reforms, with little government support for economic restructuring, was responsible their downfall.

Inflation Should Be Limited to 10%, and Budget Deficit to 6%

The government program will aim to reduce the monthly inflation rate (to 10-12% in industry, compared with 37% in 1992; 8-10% on the consumer market, from 27% at present). This will be accomplished by controlling the growth of money in circulation, and bringing the budget deficit down from 17% in 1992 to 6% of the GNP by increasing budget revenues and cutting government spending, namely, social spending.

Ukraine will ban the use of National Bank credit emissions to finance the budget deficit in 1993. The deficit will be financed with commercial bank and foreign loans, and revenues from the sale of government securities. Government price subsidies will gradually be lifted, direct support for those who are unable to work will be increased, and new types of taxes will be introduced.

The government plans to address the problem of non-payment between companies by setting a specific term by which private sector banks must transfer their clients' funds, and will more closely regulate banks' lending operations.

The government's price policy will include "tight government control" over price setting, especially prices set by monopolies; the government will continue to set prices for the product of natural monopolies in 1993. Price controls will be lifted as competitive structures are formed in the economy.

Energy Complex Priority in Restructuring

The program states that Ukraine's economic structure is "ineffective and economically dangerous", however, correcting the system will take at least 10 years and substantial investment.

The government has designated the fuel and energy complex priority in economic restructuring. The republic extracted about 4 million tons of oil last year, while Ukraine expects to consume 45 million tons in 1993. Moscow and Kiev agreed that Russia will send the republic 20 million tons of oil this year.

The program points out that the fuel shortage could result in a 50% drop in the production of metal products and agricultural equipment this year.

In an effort to solve its energy problems, Ukraine plans to set up joint companies to extract and refine oil and gas in Tyumen and other Russian oil producing regions, begin the construction of oil loading terminals on the Black Sea coast, form its own tanker fleet, expand the extraction of oil and gas domestically, rebuild Ukrainian oil refineries, and increase its nuclear power potential.

Other goals include supplying Ukrainians with consumer goods (mainly food and medicines) and increasing the export of machine- building product made at ex-defense plants.

Government To Stimulate Investment in Industry

The government's tax policy will be designed to "increase producers' interest in expanding production and investment".

The income tax will be replaced by a 30% tax on profits, and the value added tax (VAT) will be cut from 28% to 20%. A special investment support fund will be created from mandatory amortization fees to increase investment activity.

The Ukrainian Cabinet of Ministers said it will move away from budget financing for industry and agriculture to favor financing these sectors through commercial loans.

Ukraine To Offer Tax Breaks to Foreign Investors

The development of the agro-industrial and fuel and energy complexes, machine-building, and the manufacture of consumer goods were named priority areas for the use of foreign loans.

A minimum investment will be set for foreign investors in the capital of enterprises with foreign participation ($50,000; for banks, insurance companies, financial and investment companies - $100,000; foreign investment must constitute at least 20% of the joint venture's authorized capital). The government will ban the use of material capital (mainly consumer goods) to constitute the capital of a joint venture with a foreign company.

Equal terms of economic activity will be established for domestic and foreign businessmen in Ukraine.

Ukraine To Tighten Monetary Control

Ukraine's Foreign Reserve, formed from the hard currency revenues of exporters, brought in just $165 million of the $2.7 billion expected last year. A large portion of export profits remained in the West; since Ukraine lacks effective customs control on its border with Commonwealth nations, domestic producers began sending their goods to nations with liberal foreign economic legislation for future export to other nations.

The government will simplify its system in 1993 for regulating foreign trade and step up control over hard currency. Priority measures include establishing customs control along the entire border, reducing the quantity of goods which must be assigned quotas and licenses for export and import, and introducing a system to distribute export-import quotas in general auctions. Ukraine will maintain the export tariff, which fills the gap between the world and domestic price for specific goods.

The hard currency tax on export revenues will be replaced by the mandatory sale of 50% of hard currency through commercial banks on the interbank currency exchange. As the Ukrainian currency stabilizes against the dollar (the current rate is 1,315 karbovantsy to the dollar), the government may introduce the 100% sale of hard currency revenues with the right of all legal entities and physical individuals to obtain hard currency on the interbank currency exchange.

Privatization in Ukraine Only Just Beginning

The program states that privatization was insignificant in Ukraine last year, with just 4% of state enterprises being handed over to the private sector (19% in Russia).

The government plans to focus on the privatization of the commercial and service sectors in 1993 and convert large enterprises into stock companies.

Private sector production will increase 180% over last year, to constitute 13.4% of total production (as compared with 5.3% in 1992).

Security Chief Sounds Alarm Over Rising Crime Rate

OW1602222193 Moscow INTERFAX in English 1930 GMT 16 Feb 93

[Following item transmitted via KYODO]

[Text] Organized crime is getting increasingly politicized by eroding government structures, Chief of the National Security Service Yevgeniy Marchuk said speaking at a Ukrainian cabinet meeting in Kiev chaired by Prime Minister Leonid Kuchma.

Marchuk spoke of growing incidents of attacks on deputies, regional administrators, local councillors and judges which he said was an indication of political terrorism at work.

Speakers at the meeting pointed to rising crime in almost all parts of Ukraine, particularly in Khmelnitsk, Lvov, Vinnitsa, and Nikolayev regions. There has been an increase in the number of grievous crimes such as murders, property theft, looting and robbery. With criminal rings widening their area of operation, there are widespread corruption practices in the banking area, as well as large scale theft of weapons and strategic materials.

Cabinet members stressed the need to rally effort by all law enforcement bodies to fight the evil.

They adopted a resolution to set up an inter-departmental council to coordinate war on crime including measures to step up the fight on corruption, bank fraud and financial irregularities by commercial structures. Measures are also envisaged to refurbish police units with new gear and equipment.

Communist-Bolshevik Party Holds Founding Congress

LD1602192393 Kiev Radio Ukraine World Service in Ukrainian 0600 GMT 16 Feb 93

[Text] A constituent congress of the Party of Communists-Bolsheviks of Ukraine [Partiya Komunistiv-Bilshovykiv Ukrayiny] has taken place in a museum of local ethnography of Donetsk. Representatives of 13 oblasts of the republic, nearly 70 people altogether, took part in the work of the congress. The statute and the program principles of the party have been adopted. The leader of the party has not been elected yet. It was decided to do this later. Everything seems to indicate that the party will be of a radical nature because it stands for dictatorship of the proletariat.

Belarus

U.S. Secretary of State Hails Nuclear Treaty Ratification

WS1802090593 Minsk Radio Minsk Network in Belarusian 0800 GMT 18 Feb 93

[Text] On 17 February, Minister of Foreign Affairs Kravchanka received a letter from the U.S. Secretary of State Christopher welcoming the Belarusian Supreme Soviet's recent decisions on the ratification of the treaties on the limitation and reduction of strategic offensive arms, the accompanying Lisbon Protocol, and on joining the Nonproliferation Treaty. The message emphasized the importance of the development of relations between the United States and the Republic of Belarus.

Statkevich Clarifies Stance on Slavic Democratic Assembly

WS1802105493 Minsk NARODNAYA GAZETA in Belarusian 30 Jan 93 p 2

[Interview with Lieutenant Colonel Mikola Statkevich, chairman of the Belarusian Association of Servicemen, by NARODNAYA GAZETA correspondent Mikola Dzyabela under the "In Order Not To Perish Separately" rubric: "All Noble Slavs, Let Us Unite!"; date and place not given—first paragraph is introduction]

[Text] It is quite probable that a new international organization will appear on the territory of Belarus in the nearest future. Some days ago, an executive committee of the patriotic movement "Belarusian Association of Servicemen" [BAS] issued an appeal to public and political organizations of Slavic states with a call to unite in the Slavic Democratic Assembly [SDA]. Our correspondent is talking with Lieutenant Colonel Mikola Statkevich, BAS chairman.

[Dzyabela] Mr. Statkevich, why did you issue this appeal?

[Statkevich] The economic and political crisis in Slavic states provokes the rise of reactionary forces which try to redivide the territories of the neighboring states or even to annex some part of those territories under the slogans of Slavic unification. Our Slavic world is one of the most troubled regions. We should oppose these dangerous tendencies and support the establishment of peace in the Slavic "hot spots."

[Dzyabela] Your wishes are noble and sincere. But how will you realize them? Even the United Nations cannot stop the war in Yugoslavia.

[Statkevich] Our task is not to establish peace but to support peace tendencies.

By the way, first, we are interested in peace in the countries neighboring Belarus. We are particularly trying to decrease the tension between Russia and Ukraine. How can we solve this issue within the SDA framework? To my mind, all the conflicts are born in the minds of political leaders. That is why the political leaders should meet more often and hold consultations on the most pressing issues. Not only on the official level. Personal contacts are more important.

[Dzyabela] Who supports your idea on the creation of the SDA?

[Statkevich] Before we issued the appeal, we had explored the political and public viewpoints in the Slavic states, held consultations with the most influential political and public leaders. They promised assistance and expressed their desire to participate in the SDA.

[Dzyabela] Could you name the organizations that are perspective SDA members?

[Statkevich] I will not. The talks were unofficial. We will reveal all the names as soon as the organizing committee is formed.

[Dzyabela] What are the requirements of SDA members?

[Statkevich] All organizations should support the ideas of sovereignty and equality of Slavic states and promote ideas of democracy and market economy. Assembly members should foster the development of culture of the national minorities in their states, and direct their actions to the development of good neighbor relations with the non Slavic states. In a word, I ask the Pan-Slavic ideologists not to bother us. In general, any political or public organization which supports the development of civilized relations between the Slavic states can join the SDA.

'Return' Committee Official Interviewed on Activities

WS1802110493 Minsk SEM DNEY in Russian 30 Jan 93 p 4

[Interview with Lieutenant Colonel in reserve Yuriy Alexandrovich Borutin, deputy chief of the "Return" Committee, by SEM DNEY correspondent Pavel Chernenko under the "At Your Request" rubric: "'Return' Committee Has No Secrets"; date and place not given—first paragraph is introduction]

[Text] Our article "'Return' Committee Appeals to Belarusian Servicemen" in SEM DNEY No 1, 1993, has caused a mountain of letters from readers. They ask for more detailed information about the committee. Our correspondent met with Lieutenant Colonel in reserve Yuriy Alexandrovich Borutin, deputy chief of the "Return" Committee.

[Chernenko] Yuriy Alexandrovich, what is the task of your committee?

[Borutin] We have two main tasks. First, to assist the servicemen who are performing their military duty in the former republics of the USSR and who, in the event that they are transferred to the Belarusian Army, have the

right to Belarusian citizenship. Second, to assist the servicemen from Belarus who want to leave the Republic and the servicemen who want to come back to Belarus to exchange their housing.

[Chernenko] What does the government do in this respect?

[Borutin] Our committee was created on 10 October, 1992. At that time, the work of the government on the transfer of officers and warrant officers—our fellow countrymen—to the Belarusian Army was dormant and many government decisions remained on paper. We were quite aware of the complexity of this issue. But we had to start working on it. It was clear that both state and public organizations should be engaged in the process. Public organizations could control the implementation of the adopted decisions and inform the population about the results.

Let us speak more concretely. On 23 October 1992, the Belarusian Cabinet of Ministers adopted "The Decree on Withdrawal of All Belarusian Servicemen from Baltic, Caucasian, and Middle Asian States." It is now late January, but still many of our officers and warrant officers perform their service out of Belarus. In this connection, we have already met with Colonel Zubko, chief of the Personnel Department at the Belarusian Ministry of Defense. Currently, we are planning one more meeting with Colonel Zubko to find out the concrete dates of withdrawal of our servicemen from the concerned regions.

[Chernenko] In your appeal, you mentioned that you had a data bank. Could you give us more details ?

[Borutin] For now, it is an ordinary file index. It contains information both about the servicemen (in active service and reserve) who want to be transferred to Belarus and about the reservists who want to leave Belarus. We have files for 200 servicemen. The committee is not pursuing the idea of withdrawing the servicemen of other nationalities from Belarus. We just want to assist people who are in a difficult situation.

[Chernenko] Many readers want to know your address and telephone numbers.

[Borutin] You are welcome to them. Our address is: 220034, Minsk, ul. Frunze 5, ap.306, "Return" Committee. Telephone numbers are: 369972, 210951

Moldova

Russian Military Exercises Continue Despite Protest

OW1702145193 Moscow INTERFAX in English 1432 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] The Moldovan Foreign Ministry has forwarded a note of protest to the Russian MFA [Ministry of Foreign Affairs] regarding Russia's 14th Army exercise currently under way on the territory of the republic. Chisinau is qualifying this exercise as a ploy aimed at destabilizing the socio-political situation in the republic.

The Moldovan protest contends that "this exercise is conducted without any prior coordination with the Moldovan government and it constitutes a blatant violation of legislation adopted by the Moldovan parliament, as well as of the Moldovan-Russian agreement on the settlement in Transdniestr which presidents Yeltsin and Snegur signed on July 21, 1992.

Copies of the Moldovan protest note have also been dispatched to the UN and the CSCE.

In the meantime, a tactical exercise of the units of Russia's 14th Army, which are deployed in Transdniestr, are continuing on the territory of Grigoriopol on the Dniestr east bank. Chief of the Moldovan General Staff Colonel Nikolae Petrike told Interfax that artillery gun fire was conducted at a distance of several kilometers from Grigoriopol. According to the Moldovan General Staff, apart from the units of the 14th Army, also taking part in the exercise were Transdniestr guardsmen.

Colonel Nikolae Petrike also told Interfax that the HQs of the 14th Army asked the Moldovan MOD [ministry of defense] to clear target designation sorties by the Russian helicopter in the area of the firing range.

In the opinion of Col Petrike, the exercise of the 14th Army, which has not been sanctioned by the Moldovan government, not only has a destabilizing effect on the situation in Moldova, but it is also damaging relations between Chisinau and Moscow which have just begun to improve.

Snegur Foresees Resolution of Dniestr Problem

LD1802095693 Moscow ITAR-TASS World Service in Russian 0927 GMT 18 Feb 93

[By MOLDOVA-PRESS correspondent for TASS]

[Text] Chisinau, 18 Feb—Conferring a special legal status on the rayons on the left bank of the Dniestr does not presuppose, but rather entirely precludes the possibility of turning Moldova into a federation, said republican President Mircha Snegur at a meeting with representatives of the Dubossary Rayon administration. The Moldovan parliament is soon to embark upon a discussion of projects to resolve this issue, the president noted.

In his opinion, a long-awaited definitive decision will at last be found and this will be facilitated by the working atmosphere that has been created in the legislative body by its new chairman. The president expressed confidence that this year would be marked by the establishment of peace and mutual understanding in Moldova.

Snegur Adviser Criticizes Moscow on Dniestr Conflict

OW1702175993 Moscow INTERFAX in English 1433 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Russian diplomats are dodging a straight forward response to Moldova's proposal on resuming the work of the quadripartite commission (Russia, Ukraine, Romania and Moldova) which was set up by these states' foreign ministers to settle the conflict in Transdniestria, the Moldovan president's adviser Nikolae Kirtoake told INTERFAX. He also said that two weeks before, Chisinau had sent the foreign ministers of Russia, Ukraine and Romania proposals on intensifying the work of this commission.

Unfortunately, Russian Foreign Minister Andrey Kozyrev and his Moldovan counterpart Vladimir Plechko continue to advance preliminary terms which go against the four foreign ministers' decisions taken on April 6 and 17, 1992. For instance, they insist on a Transdniestrian delegation's compulsory participation in the work of the commission.

Nikolae Kirtoake believes that Moscow's position slows down the political and diplomatic normalization of the situation in Transdniestria.

Lucinschi: Chisinau Prepared To Compromise on Dniestr

OW1702174793 Moscow INTERFAX in English 1624 GMT 17 Feb 93

[Report prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—item transmitted via KYODO]

[Text] During a break in the session of the Moldovan Parliament Petru Lucinschi, its Chairman, met confidentially with a small group of MPs [members of parliament] from the Transdniestr region who attended the session. Reliable sources have told Interfax that ways to solve the conflict in that area and the area's legal status were discussed.

According to Petru Lucinschi, Chisinau is prepared to make serious concessions and compromise on the status of the Transdniestr region. He said this, reliable sources told an INTERFAX correspondent, at a confidential meeting with a small group of MPs from that area.

Lucinschi believes that following the changes in the top bodies of Moldova's parliament "the situation in the republic has radically changed." Still, a meaningful dialog between Chisinau and Tiraspol is out of the question because, in the speaker's words, "the leaders of the self-proclaimed Dniestr Moldovan Republic do not wish to abandon their political ambitions and continue to insist on making Moldova a federal state." Still, Lucinschi expressed confidence that "a solution will be worked out and the conflict resolved by peaceful means alone."

Parliament To Consider Draft on Dniestr's Legal Status

OW1702212893 Moscow INTERFAX in English 1934 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Addressing the leaders of the Dubossary region in the village of Koshnitsa on Wednesday [17 February], the Moldovan President Mircea Snegur declared that in the near future the Moldovan parliament will consider the draft of transdniestria's legal status. He pointed out that there are all necessary conditions to successfully solve the problem in the Supreme Soviet because "the new speaker of the parliament, Petru Lucinschi, managed to create a fruitful working atmosphere there." Snegur emphasized that this document does not foresee federalization of Moldova. The President also expressed the hope that this year would become the year of restoration of stable peace on the territory of the republic.

Mosanu Warns of 'Total Dependence on Russia'

AU1802102493 Bucharest ROMPRES in English 0814 GMT 18 Feb 93

[Text] Bucharest, ROMPRES 18/2/1993—Alexandru Mosanu, ex-president of the Republic of Moldova's Parliament, told daily ADEVARUL that the declaration of independence of the Republic of Moldova had not been associated with the idea of union with Romania, because "the central problem was that we get rid of the total dependence on Russia that wants to become imperial once more. This is the key-problem. Not the problem of union... What is important to us is not to fall again under Russia's boot. I do not agree when we are told not to mistake the CIS for Russia. Russia is the CIS, because Russia is the promoter. Russia regards the CIS as a platform for the remaking of the empire," Alexandru Mosanu said. He assessed that those who declared for immediate union, without taking account of the concrete situation, did not render a service, because "that has radicalized and alienated a part of the people. It has been taken utmost advantage of by all leaders of the former communist system who say that they would like the Republic of Moldova to be independent while we would like to see it become someone's province." "It would be fair to say here though that being a province of a new empire is different from being a province of your own country," Mosanu said.

He mentioned that there had been no contacts between the Moldovan officials and the Bucharest ones in view of an immediate union with Romania, either during the preparation and after the declaration of independence, or in the latest period of tensions in Moldova's legislative [body]." I have been contacted from nowhere," the ex-president of the Moldovan Parliament stated, showing that the invitation to attend the January 24 anniversary in Iasi of the union day was extended to him by phone, eight hours before the celebrations.

As far as Transdniestr was concerned, Mosanu, a historian, said that that region "is part and parcel of the Republic of Moldova," the frontiers of which were set pursuant to the Ribbentrop-Molotov Pact. "It is not us that have chosen these frontiers... But we should take account of them. In this conjuncture, the part left of the Dniestr is part and parcel of the Republic of Moldova. And we cannot disregard also the attitude of the international fora, of those who sustained us, who recognized us inside these frontiers."

Kazakhstan

Foreign Minister Interviewed on Control of Nuclear Weapons

NC1502185593 Cairo AL-AHRAM in Arabic 13 Feb 93 p 5

[Report on an interview with Foreign Minister Tuleutai Suleymenov by 'Abd-al-Malik Khalil in Alma-Ata; date not given]

[Excerpt] [Khalil] Sitting in the minister's office in Alma-Ata, I asked him: We have been hearing for dozens of years about the launch of spacecraft and astronauts from your country's airport, which is known as "Baykonur Space Airport." What has Kazakhstan gained from the use of this famous airport, and what is it doing with the strategic weapons on its soil?

[Suleymenov] The presence of nuclear weapons on Kazakh soil is not our fault. Our people have been suffering for years and still suffer from the presence of these weapons. Nuclear weapons were tested in our atmosphere between 1949 and 1967. The nuclear dust and fallout affected people, animals, and plants. You can imagine how three successive generations have been harmed by these terrible effects. Hence, we do not need these weapons. What happened to Hiroshima and Nagasaki happened to us. They tested the weapons without asking us or our people.

As for Baykonur Airport, there is an agreement with Russia that allows Russia, Germany, France, Belarus, and any other country that has sent an astronaut into space to use it. The land is ours, but we have obtained nothing worthwhile from Baykonur except for the first Kazakh astronaut, who travelled to space on a joint mission. There is talk about joint use of the airport, but the fact remains that we do not yet have the capability to use it. The airport was chosen for space travel for several reasons that are unique to Kazakhstan: possibly its vastness, the site of the airport, and the flat ground.

As for strategic nuclear weapons, they are under Russian control according to an agreement. Russia cannot use it, however, without the agreement of the leaders of Russia, Ukraine, Belarus, and Kazakhstan; that is, the four nuclear countries. Any violation would trigger a veto and rejection.

[Khalil] What about the problems facing Kazakhstan as a result of the dividing up of the former Soviet Union's assets, embassies, and consulates abroad?

[Suleymenov] It is in fact a difficult question. But I will reply by giving a quick historical review. Yes, in the past and on the orders of Russian President Boris Yeltsin, all the Soviet Union's embassies and consulates abroad were put under Russian management. We discussed this issue several times with CIS officials, especially last spring. As a result, a special committee was formed which was given the task of dividing up the Soviet Union's possessions abroad. A number of experts discussed this issue at various levels. I had the chance to participate in this committee's work, which was crowned with an agreement signed by the CIS leaders last year. According to the agreement, our republic received 3.6 percent of the foreign debt. Naturally, dividing the assets was not complete because how, for example, can you split a piano or a musical instrument into several pieces?! [passage omitted]

U.S. Ambassador Cited on New Consulate Section

OW1702162593 Moscow INTERFAX in English 1521 GMT 17 Feb 93

[Report by diplomatic correspondents Andrey Borodin, Dimitry Voskoboynikov, Igor Porshnev, and others; from the "Diplomatic Panorama" feature—item transmitted via KYODO]

[Text] On Wednesday [17 February] the U.S. embassy in Alma-Ata commenced issuance of non-emigration visas. In an interview with an INTERFAX correspondent the U.S. ambassador to Kazakhstan, William Courtney, said that this is the first American Consulate to open in the great space between Moscow and Eastern China.

In his opinion, with the opening of the consulate department intensive trips by businessmen from Kazakhstan and Central Asian republics to the U.S. have started .

Concerning emigration visas, they will continue to be dealt with only by the U.S. embassy in Moscow.

The head of the consular section of the U.S. embassy in Kazakhstan, Susan Tornton, told INTERFAX that on the very first day her department was approached for visa forms by 50 people, including people coming from Georgia and Kyrgyzstan.

U.S. Grants Most Favored Nation Status

OW1802130993 Moscow INTERFAX in English 1131 GMT 18 Feb 93

[Following item transmitted via KYODO]

[Text] On Thursday [18 February], U.S. and Kazakh representatives exhanged diplomatic notes on the ratification of the trade agreement, signed in Washington by George Bush and Nursultan Nazarbayev in May, 1992. According to this aggreement, Kazakhstan will enjoy most favored nation status in trade dealings with the United States.

Decree Establishes Commission To Protect Servicemen

LD1202185493 Alma-Ata KAZTAG in Russian 1130 GMT 12 Feb 93

[Excerpts] With the aim of preventing a violation of legality, death, and injury to servicemen during their military service, for in-depth analysis and objective

assessment of causes and conditions facilitating emergencies in the armed forces of the Republic of Kazakhstan, I decree:

1. That a commission be formed. [passage omitted]

2. The Cabinet of Ministers of the Republic of Kazakhstan is to solve questions of financing, paying for duty trips, and other expenses, and allocating the technical means and premises.

3. The commission is to participate directly in checking appeals of citizens connected with the death or injury of servicemen.

4. Ministries and departments of the Republic of Kazakhstan, heads of oblast administrations, and of those of Alma-Ata and Leninsk city administrations are to give all-round help and assistance in the work of the commission, and to supply the necessary information and material requested by it in good time.

5. Organs of the press and mass media of the Republic of Kazakhstan are recommended regularly to deal with the activity of the commission, questions of strengthening legality, law, order, and discipline in army collectives, heroic-patriotic and mass defense work.

6. The counting and processing of letters, complaints, and statements arriving addressed to the commission and the ordering of documentation is the responsibility of the Kazakh Ministry of Defense.

7. Decree No. 269 of the president of the Kazakh Soviet Socialist Republic Dated 26 February 1991, On measures to examine appeals in connection with undergoing military service by citizens of the republic in the armed forces of the USSR, is deemed obsolete.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

[Dated] Alma-Ata, 11 February 1993

Commission on Mililtary Service Appeals Set Up

LD1402153993 Moscow Mayak Radio Network in Russian 1100 GMT 14 Feb 93

[Text] In Kazakhstan, a decree by President Nursultan Nazarbayev on setting up a commission on considering appeals of citizens regarding military service in the Armed Forces of the Republic of Kazakhstan has come into force. The commission was set up to prevent abuses of legality as well as death and mutilation of servicemen in the course of military service.

Report Lists Major Trading Partners

OW1602191593 Moscow INTERFAX in English 1702 GMT 16 Feb 93

[Following item transmitted via KYODO]

[Text] According to Kazakhstan's Statistics Board, in 1992 developed countries, notably the U.S., Britain, Sweden, Finland, the Netherlands, Austria, and Italy accounted for 60 percent of Kazakhstan's exports outside the CIS.

Two thirds of the country's exports are oil and petroleum products, ferrous and nonferrous metals and fertilizers. Last year 4,391,800 tons of oil, 105,600 tons of copper, 73,500 tons of zinc, 55,800 tons of lead, 581,000 tons of coal, and 718,500 tons of ores and metal concentrates were exported.

China supplies 44.4 percent of Kazakhstan's imports. In Europe the largest importers are Austria, Hungary, Yugoslavia, Britain, Germany, and Switzerland whose joint share in the country's import totals 34 percent.

Prime Minister Views Domestic Situation, Relations

AU1202121293 Budapest UJ MAGYARORSZAG in Hungarian 10 Feb 93 p 3

[Interview with Prime Minister Sergey Tereshchenko by Laszlo Daroczi in Budapest; date not given: "We Can Have A Share in the Oil Business in Tengiz"]

[Text] In the course of his visit to Hungary, Kazakh Prime Minister Sergey Tereshchenko gave us an interview on the domestic situation of this huge country in Eurasia and about the prospects of bilateral relations.

[Daroczi] The president of the republic is a Kazakh, but the prime minister is not. Is this the result of a political agreement, or merely by chance?

[Tereshchenko] According to the Constitution, any citizen over 35 and under 60 who speaks the Kazakh language fluently and who has been living in Kazakhstan for at least 10 years can be president of the republic. The demographic figures today show that about 42 percent of the population are Kazakhs and 38 percent are Russians. Therefore, the composition of the top leadership takes this into consideration....

[Daroczi] Unlike most of the post-Soviet states, there is calm in multinational Kazakhstan. What is the secret behind this? What is the national minority policy of the leadership in Alma-Ata?

[Tereshchenko] Parliament adopted a new constitution for the republic on 28 January. Most debates were on the use of the language, and the Kazakh language became the state language, while the Russian language is the language of communication between the various nations. Our Constitution bans any discrimination against people who do not speak the state language fluently. Therefore, practically all the citizens of Kazakhstan can run for the highest position in the republic. Understanding among the various nations is also reflected in the people's unconditional confidence in the president. Personally, I

think that precisely this confidence in President Nazarbayev is the main condition for stability.

[Daroczi] What is the cornerstone of your country's foreign policy? Can we talk about any priority, such as in the direction of the CIS or Islam?

[Tereshchenko] Respect for the sovereignty of the states, non-interference in their internal affairs, and cooperation based on mutual interests are the cornerstones of our foreign policy. We do not want to dictate conditions to anyone; nor do we allow others to dictate to us. Regarding the CIS, we cannot forget that the former Soviet Union functioned for more than 70 years and the economies of the members states have become strongly integrated. Our president is endeavoring to continue to have some kind of common economic area here after the collapse of the Soviet Union, because this is an advantage for all of us.

[Daroczi] The new Constitution forbids private land ownership. Is this ban hindering the emergence of market economy conditions in the agricultural sector?

[Tereshchenko] The conditions have not yet become ripe for the introduction of private land ownership in Kazakhstan; one should also be aware of the nomadic traditions of the Kazakh people. Their animals have already been taken away once, and this led to the starving to death of more than 3 million people, because fixed-location agricultural activity was foreign to this people. We lost too much then; therefore, we say today that it is forbidden to experiment at the expense of the people. Of course, we can envisage the emergence of private land ownership in Kazakhstan in the future. However, I think that conditions for the development of the agricultural sector are already present today: Agricultural activity can be carried out on collective farms or on individual farms. The latter allows the leasing of the land for 99 years, and this right can also be inherited.

[Daroczi] In your opinion, which area of the promisingly developing Hungarian-Kazakh bilateral relations could become the most fruitful one? What can Hungarian firms count on when production starts at the huge oil and natural gas field in Kazakhstan?

[Tereshchenko] I came to Budapest with a whole package deal which we discussed with Prime Minister [Jozsef] Antall. Agriculture and the introduction of industrial-level corn production in Kazakhstan, with which we would like to achieve an annual production of 2 million tonnes within 5-7 years, seem to be areas of the utmost importance. This is a mutually advantageous business. I can also mention the processing of various agricultural products, and we could also set up a joint venture for animal husbandry. We also have a shortage of medicine and pharmaceutical production today, both for people and animals. Therefore, we suggested to our Hungarian partners that they should also think about this in our joint work. As for oil and gas production, Hungarian experts are still working at the huge fields in Tengiz. We are very satisfied with their work, and I think that they can continue their activity there. We will probably find successful forms of cooperation in mineral oil production and in the production of industrial chemical products based on mineral oil.

Kyrgyzstan

Akayev Believes Economic Strategy, Priorities Correct

LD1702182893 Moscow ITAR-TASS in English 1759 GMT 17 Feb 93

[By ITAR-TASS correspondent Boris Mainayev]

[Text] Bishkek February 17 TASS—Despite the production decline in Kyrgyzstan which amounted to 27 percent Kyrgyz President Askar Akayev believes that "the strategy of economic reforms and priorities have been chosen correctly." In an interview with two leading Kyrgyz newspapers on Wednesday [17 February] Akayev said that land reform was being translated into life taking into account Kyrgyz national agrarian interests, the land reform provides for the establishment of a multiple economy and the development both of a state and a private sector.

Akayev is pinning great hopes on his recent meetings with Boris Yeltsin and Viktor Chernomyrdin. Apart from the preferential credit from Russia worth 75 billion rubles, a list of goods subject to duty-free exports and imports between the two countries will be enlarged. Customs duties would have cost Kyrgyzstan about 50 billion rubles. "Our republic is the only one in the CIS for which Russia has left the last year's quota for deliveries of oil products unchanged," Akayev said.

"We were guaranteed to purchase 200,000 tonnes of wheat in Stavropol region. What Russia has done for us is an example of a highly moral policy and evidence of fraternal friendship," Akayev added.

President Rescinds Resolution on Raising Bread Prices

OW1802123393 Moscow INTERFAX in English 1131 GMT 18 Feb 93

[Following item transmitted via KYODO]

[Text] Kyrgyz President Askar Akayev has annulled the resolution of the State Committee on Prices and Anti-Monopoly Policies on the maximum prices on bread and bakery products, which caused prices on bread to almost double. Akayev also instructed the government to reserve additional subsidies for the production of bread and bakery products.

Director-General of the Kyrgyz Bakery Amalgamation, Abdrakhmanov, was removed from his post for "political irresponsibility," while Chairman of the Committee for Prices and Anti-Monopoly Policies Fattakhov was reprimanded.

President Akayev's decree says that the government was not informed of the decision to raise prices on bread. Neither was that decision coordinated with the program for social welfare, or did it take into account falling living standards of the population, particularly pensioners, large families and students.

Republic Joins International Finance Corporation

LD1802094793 Moscow ITAR-TASS in English 0915 GMT 18 Feb 93

[By ITAR-TASS correspondent Boris Mainaev]

[Text] Bishkek February 18 TASS—Kyrgyzstan has become the first Central Asian republic of the former Soviet Union to be accepted as member of the International Financial Corporation (IFC).

It became clear on Thursday [18 February] that the relevant documents have been signed in Washington.

Constitutional Commission Accuses Parliament of Abuse

OW1202224893 Moscow INTERFAX in English 2011 GMT 12 Feb 93

[Following item transmitted via KYODO]

[Text] On Friday [12 February] the Kyrgyz constitutional commission headed by President Askar Akayev accused the presidium of the parliament of changing a draft constitution already approved by the Supreme Council. In particular, it introduced an amendment saying that the Supreme Council is entitled to decide all issues of the state's life, including those out of the legislative body's competence. In the opinion of the constitutional commission's members, thus the principle of power sharing was violated. Chairman of the commission Sultan Imanbayev expressed the opinion that the speaker of the parliament Medetkan Sherimkulov wants to equalize his powers with presidential ones.

In turn, the prosecutor of Kyrgyzstan Cholpon Bayekova said that the presidium of the Supreme Council is fully responsible for the introduced amendments, because it pursued personal goals.

Prime Minister Meets Belgian Leaders, EC Officials

LD1202225993 Moscow ITAR-TASS in English 2159 GMT 12 Feb 93

[By ITAR-TASS correspondent Valeriy Shashkov]

[Text] Brussels February 13 TASS—Kyrgyzstan's Prime Minister Tursunbek Chingyshev ended his working visit to Brussels on Friday [12 February].

During the visit, Chingyshev met with Belgium Foreign Minister Willy Claes and Minister of Economics Melchior Wathelet and held talks with high-ranking officials from the EC Commission. He also met with Belgium industrialists and financiers to discuss prospects for attracting foreign investments in the republic.

The visit to Brussels is part of the prime minister's West European tour. He has already visited Germany and Strasbourg where he participated in a session of the EC Parliament. On Saturday, he will fly to London where he is expected to meet with Jacques Attali, president of the European Bank for Reconstruction and Development.

Chingyshev said his visit to Brussels aimed at establishing contacts with the EC leadership. During the talks, the parties discussed a draft agreement on partnership and cooperation between the European Community and Kyrgyzstan. Delegations of EC and Kyrgyz experts will begin consultations in March to prepare the agreement for signing in April, the prime minister said.

Apart from Kyrgyzstan, the European Community intends to conclude such agreements with Belarus, Kazakhstan, Russia and Ukraine.

Japan To Supply $100 Million in Aid

OW1202181893 Moscow INTERFAX in English 1502 GMT 12 Feb 93

[Following item transmitted via KYODO]

[Text] Japan supports democratic reform in Kyrgyzstan and, aware of the difficulties of the transitional period, will give this Central Asian republic general assistance, Hidiaki Ueda, the deputy director general of the Japanese Foreign Ministry's Economic Cooperation Bureau and the leader of the Japanese delegation which arrived in Bishkek recently, announced on Friday [12 February]. During the ceremony of transferring humanitarian aid to the local authorities, he said that Japan will supply Kyrgyzstan with humanitarian aid worth $100 million.

President Akayev highly estimated the Japanese government's active and large-scale actions, and expressed hope that in 1993 Japanese-Kyrgyz relations will broaden on a mutually advantageous basis.

Following the official ceremony, President Akayev had confidential talks with the leader of the Japanese delegation.

Before coming to Bishkek, the Japanese delegation had visited Kazakhstan where it had talks with the leaders of the ministries of economics, foreign economic relations and transportation, and of the state committee for water resources. Japan has pledged to finance those projects whose expediency is proved by corresponding feasibility studies.

Tajikistan

Rakhmonov Hopes for CIS Troops Arrival in Early March

OW1702180593 Moscow INTERFAX in English 1624 GMT 17 Feb 93

[Report prepared by Andrey Pershin, Andrey Petrovskiy, and Vladimir Shishlin; edited by Boris Grishchenko; from the "Presidential Bulletin" feature—item transmitted via KYODO]

[Text] The fortification of the border between Tajikistan and Afghanistan remains the government's main priority, parliament speaker Imamali Rakhmonov has told INTERFAX in an exclusive interview.

Rakhmanov is counting heavily on the arrival of the four reinforcement battalions at the border during the first ten days of March. The republic's southern borders with Commonwealth nations are being defended by a further 3,000 men, he said. The republic's own border guards and the 201st Russian Motor Division would be brought up to strength.

Parliament's head believes in the prospect for the development of constructive relations between the government and the independent muftiate of Tajikistan set up recently in place of the former Muslim spiritual administration. "The muftiate must apply its efforts to assisting the government in establishing peace in Tajikistan in the shortest possible time," Rakhmonov thinks. In his opinion religion should play an increased role in the moral support of the republic's peace-keeping efforts. The speaker announced that religious personalities had, during recent elections to the muftiate, requested parliament to amend the law on freedom of conscience. They wanted to see the introduction of a clause on closer liaison between the executive branch and religious establishments in the regions. The Tajik leader did not rule out the possibility of the government taking part in the forthcoming Muslim festivals this spring. "This is our way of life," he pointed out, although he declined to discuss this subject in more detail.

Rakhmonov said that the number of illnesses had almost halved in the Farkhor region of Tajikistan which had seen a major outbreak of poisonous hepatitis. "Adults and children are being cured thanks to the efforts of doctors from Uzbekistan and Dushanbe," he said. There were currently around 70 serious cases in the capital, he said. The speaker was certain that the epidemic would be over by this spring. Large allocations from the state budget and humanitarian aid from CIS nations and other states had also been instrumental in improving this situation, he said.

Rakhmonov highlighted with regret the fact that humanitarian aid consignments were still rarely reaching mountainous areas in the republic. The situation in Pamir "was worsening," despite the efforts of the government commission headed by the education minister. The only way of delivering humanitarian aid during winter, he said, was the highway via the Kyrgyz town of Osh, but this was under constant attack from illegal armed groups. As a consequence of this, drivers and pilots were refusing to work along this route, he added. The government was planning additional measures to deliver consignments to the region, Rakhmonov concluded.

State of the Art Weapons Come From Afghanistan

PM1802101393 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1800 GMT 15 Feb 93

[By Mikhail Nikulin, Alisher Khodzhayev, and Sergey Dzheglov; from the "Novosti" newscast]

[Text] [Video shows guns lying on table.] [Nikulin] This consignment of weapons represents just one day's haul. Tajik National Security Committee personnel confiscated it in the combat zone from an opposition group retreating into the mountains of Karateginskiy Ridge under pressure from government forces. Intelligence officers from various regions of the republic confiscated more than 3,500 weapons. And what weapons! An anti-tank guided missile was confiscated from the guerrillas. Even the 201st Russian Motorized Rifle Division stationed in Tajikistan did not have weapons like that.

State-of-the-art weapons have been supplied and are still coming in from Afghanistan. There are plenty of people wanting to supply this freight and even to fight for the happiness of the Tajik people on the other side. Things are troubled on the border. Virtually every day border guards have to deal with intruders and frequently with messengers trying to infiltrate Tajik territory. The CIS countries' peacekeeping forces are meant to reinforce the Tajik-Afghan border. But the four battalions that Tajikistan was promised have not arrived in the republic.

Air Defense Said 'Weakest Link' Along Afghan Border

PM1802112193 Moscow KOMSOMOLSKAYA PRAVDA in Russian 17 Feb 93 p 1

[Correspondent U. Babakhanov report: "Clear Sky Over Tajikistan"]

[Text] Dushanbe—The situation in Tajikistan, despite the appreciable stabilization in recent months, still remains complex. The Ramit Gorge, where opposition gunmen have dug in, and the Tajik-Afghan border are giving the government a headache. Engagements claiming lives are periodically occurring in both places.

There are persistent rumors in Dushanbe that the opposition's combined forces will launch a large-scale counterattack on the government troops' positions in March-April. The main strike will be made, it is claimed, from Afghanistan, in whose northern provinces tens of thousands of refugees from Tajikistan, including gunmen,

have found refuge. Time is now against the antigovernment groups—the formation of national armed forces is under way and the border is being strengthened. Under the Minsk accords, the introduction into the republic of four battalions of CIS "blue helmets," which will appreciably strengthen the young Tajik state's muscles, is expected. It cannot be ruled out that the irreconcilable Islamic opposition will make an attempt to take revenge without waiting for spring to come.

Air defense is still the weakest link in the Tajik border's defense. The Russian air defense system was partially dismantled last year, and Tajikistan does not yet have its own. But the mojahedin of Golboddin Hekmatyar, who patronizes the opposition members, possess combat helicopters and aircraft and, if their brothers in faith request them strongly enough, it cannot be ruled out that they will receive them. In this case the Tajik border's defenders will be rendered practically unarmed. The question of restoring the air defense system in Tajikistan was raised fairly pointedly during Russian Defense Minister Pavel Grachev's recent visit to Tajikistan. The minister promised to help. But the problem's solution is being dragged out, which gave certain Tajik officials grounds to claim recently: Russia is again playing "some kind of incomprehensible game."

Defense Minister Views Republic's Military Policy

LD1802074093 Moscow ITAR-TASS in English 0731 GMT 18 Feb 93

[By KHOVAR-TASS correspondent]

[Text] Dushanbe February 18 TASS—"Tajikistan has no intention to attack anyone. We want to live in peace with all our neighbours," Tajik Defence Minister Aleksandr Shishlyannikov told the republican newspaper NARODNAYA GAZETA. He said that the call-up to the Tajik Armed Forces was proceeding according to plan and there were practically no refusniks. The minister added that ground and air forces were being formed in the republic. An anti-aircraft defence system will be set up eventually. He also said that several legislations on the Armed Forces were now in the making, which would be submitted to the next session of the Tajik parliament.

Shishlyannikov stressed that the Russian 201st Motorised Infantry Division had always been and remains a guarantor of stabilty in Tajikistan.

Government Resolution Raises Prices 150 Percent

OW1202225593 Moscow INTERFAX in English 2011 GMT 12 Feb 93

[Following item transmitted via KYODO]

[Text] On Friday [12 February] the Tajik government passed a resolution raising prices of flour, bread and bread produce. The document says that due to the price hikes on imported grain, commodities, fuels, as well as due to the republic's budget deficit, the prices will increase on average 150%.

At the same time, in order to protect low-income people the Cabinet introduces restrictions on retail prices of flour, bread and bread produce, except top quality flour.

The Tajik Economics Ministry was charged with making public the list of fixed retail prices of bread and flour by February 15.

Economy Said Going Through 'Serious Crisis'

LD1702201293 Moscow ITAR-TASS in English 1939 GMT 17 Feb 93

[By a TIA "KHOVAR" correspondent for TASS]

[Text] Dushanbe February 17 TASS—Almost all branches of Tajikistan's national economy are passing through a most serious crisis. According to a national statistical service report, in January, the volume of industrial prouction constituted only 69.7 per cent of the level of the corresponding period in 1992. The republic failed to fulfill its supply commitments worth one hundred million roubles.

Specialists explain the fall in industrial production due to violation of economic ties with countries of the CIS, from which Tajikistan used to get the necessary materials for requirements of the national economy. Another reason is the civil war which is continuing for several months, and has caused the republic an economic loss of over two hundred billion roubles.

Great Britain Grants Aid Worth 100,000 Pounds Sterling

LD1602100793 Moscow ITAR-TASS in English 0913 GMT 16 Feb 93

[By ITAR-TASS correspondent]

[Text] Dushanbe February 16 TASS—The Government of Great Britain has decided to allocate 100,000 pounds sterling in the form of aid to the conflict-afflicted population of Tajikistan. The money will be chiefly used to accommodate Tajik refugees and their repatriation, says a telegram received here from British Prime Minister John Major.

The message stresses that peace in Tajikistan and the rehabilitation of its economy depended to a large extent on concord and harmony among various ethnic and political groups, involved in the civil war. The repatriation of refugees is assuming tremendous importance against this background. The prime minister expressed satisfaction with the fact that a U.N. Mission has opened in Dushanbe. He expressed the hope that it would be granted unlimited access to all the regions of Tajikistan.

United Nations Grants Republic 'Aid Recipient Status'

LD1802091193 Moscow ITAR-TASS in English 0802 GMT 18 Feb 93

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations February 18 TASS—"The Governing Council the UN Development Programme (UNDP) decided at a special meeting on Wednesday [17 February] to grant Tajikistan the U.N. aid recipient status," ITAR-TASS was told by Tajik permanent representative to the United Nations Vakim Kayumov.

"A special session of the UNDP Governing Council, held at the U.N. headquarters here, has discussed the problem of granting the U.N. technical aid recipient status to several countries, including Tajikistan. Applying to the council for this status, I expressed the Tajik Government's readiness to cooperate with the U.N. development programme, which plays a leading coordinating role within the U.N. system in rendering multifarious aid to many countries, including the republics of the former USSR. I am pleased to inform you that Tajikistan has been granted this status and an office of the U.N. development programme will be shortly opened in Dushanbe in order to help draw up a comprehensive programme for Tajikistan's stable economic development and its switchover to a market economy. The U.N. development programme will also help Tajikistan set up democratic institutions in the country and, in particular, draw up a national legislation taking into account the world's most progressive experience. International legal experts will be sent to the republic for this purpose," the Tajik representative noted.

Humanitarian Aid Bought With U.S. Funds Reaches Badakhshan

LD1302130593 Moscow ITAR-TASS in English 1232 GMT 13 Feb 93

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe February 13 TASS—A convoy of 70 trucks with humanitarian aid supplies—flour, sugar, rice and other foodstuffs intended for residents of the Pamirs—arrived on Saturday [13 February] in Khorog, the administrative centre of Tajik Badakhshan.

The food was purchased on money provided by the U.S. Embassy in Tajikistan. The embassy assigned 25,000 dollars for the purposes. One hundred and eighty tonnes of fuel has been purchased on foreign currency to ensure a non-interrupted traffic of transport vehicles on the Osh-Khorog road to bring humanitarian aid supplies.

Owing to political instability in the republic, only about one-third of the amount of food and fuel necessary for the winter period was brought to Badakhshan at the end of last year. The state of things is being aggravated by an influx of a large number of refugees from Dushanbe and Khatlon region.

The government of Tajikistan is taking urgent measures to render help to residents of the Pamirs. Assistance is also being given by the international community. Humanitarian aid cargoes have been brought there by air and by the Osh-Khorog road from a number of neighbouring and distant countries.

Turkmenistan

Niyazov Announces Higher Cotton Purchase Prices, Wages

PM1702100193 Moscow ROSSIYSKAYA GAZETA in Russian 11 Feb 93 First Edition p 7

[Georgiy Smolkov report: "Peg Prices, Release Wages!"]

[Text] Ashgabat—The Conference of Turkmenistan Agrarians was repeatedly interrupted by applause when the republic's President S. Niyazov announced new purchase prices for agricultural produce. Prices have been raised sigifnicantly and now, for example, peasants will sell raw cotton to the state at up to 60,000 rubles [R] a tonne depending on grade and quality. But this increase is a two-edged sword, because a hike in prices for raw materials will boomerang back on the countryside in the form of dreadfully expensive textiles.

The traditionally somnolent presidium came to life when S. Niyazov announced new rates of pay for high-ranking officials. For example, vice premiers will now receive R80,000 a month and ministers and officials of equivalent rank will receive R50,000. Nor has the rest of the population been forgotten. Wages for budget-funded workers have been doubled on average to a minimum of R3,200. Pensions, grants, and other social payments have been increased accordingly. Let us also recall that, for the first time in world practice, the population of Turkmenistan will consume a certain amount of electricity, natural gas, and drinking water free of charge as of the beginning of the year. Local economists state that this measure is a far more effective way of exercising the citizen's right to his share of the nation's wealth than Russia's voucherization.

Ceilings for Free Consumption of Utilities Raised

PM1602121193 Moscow IZVESTIYA in Russian 10 Feb 93 p 2

[Vladimir Kuleshov report: "Ceilings for Free Consumption of Electricity, Gas, and Water Raised in Turkmenistan"]

[Text] Ashgabat—The ceiling for electricity supplied without payment per person per month is now envisaged at 35 kilowatt-hours, that for natural gas at 50 cubic meters, and that for liquid gas at 21 kg.

Thus, the norms originally set for ceilings for the free consumption of resources, which before were calculated at the level of the needs of the average Turkmen family, have been significantly exceeded.

"The republic is capable of this, and it is not as terrible as it seems outside the republic," [President of Turkmenistan] S. Niyazov said about this. "For Turkmenistan has lagged badly behind in social development for 70 years. The majority of population centers are virtually without a heat supply, and there are difficulties with the supply of drinking water, and yet the temperature here reaches 40-43 degrees in the summer. Under these conditions the free supply of water, electricity, and gas is a measure aimed at social development and at creating normal living conditions for the population."

Japan To Help 'Overhaul' Republic's Economy

LD1802115293 Moscow ITAR-TASS in English 1105 GMT 18 Feb 93

[By ITAR-TASS correspondent Lyudmila Glazovskaya]

[Text] Ashgabat February 18 TASS—A Japanese governmental delegation has ended its visit to Turkmenistan, where it studied the republic's needs for international aid.

Turkmen and Japanese experts discussed the terms of future cooperation which promises to be beneficial not only from the point of view of Japanese governmental assistance, but also in terms of closer economic contacts with Turkmenistan, the most solvent republic of all Central Asian states, Hidiaki Ueda, head of the Japanese delegation, said.

Ueda believes Turkmenistan and its neighbours need to restructure their economies. Japan intends to help Turkmenistan to overhaul its economy.

The amount of aid and its terms will be determined later when Turkmenistan files an official request for help with the Japanese Government. Until then, Turkmenistan and other Central Asian republics will receive 10 billion U.S. dollars in aid this year.

Uzbekistan

Karimov: Political Stability Needed for Economic Solutions

OW1702181793 Moscow INTERFAX in English 1434 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Political stability is the main prerequisite for the solution of the difficult tasks of economic reform; without it, neither further progress nor prosperity are possible, said Uzbek President Islam Karimov in an address to participants in the International Seminar of Political Scientists and Economists, which opened on Wednesday [16 February] in Tashkent.

He emphasized that it was essential to search for "nontraditional approaches to the attainment of political accord in society: this will aid in the extension of integrative processes in Central Asia." The seminar, which was organized by the Institute of World Economics and Diplomacy (Uzbekistan) and the National Democratic Institute of International Relations (United States), was attended by delegations from Bulgaria, Hungary, Kazakhstan, Kyrgyzstan, the United States, Tajikistan, Turkmenistan, Turkey, and Uzbekistan.

The program included discussion of the role of political parties and movements in attaining social consensus in the interests of economic reform, as well as the influence of successful reforms on internal politics.

Japanese Official Views Visit, Future Relations

LD1702164793 Moscow ITAR-TASS in English 1614 GMT 17 Feb 93

[By ITAR-TASS correspondent Alfred Baranov]

[Text] Tashkent February 17 TASS—Uzbekistan is a "country with a great future", Hidiaki Ueda, deputy general director of the Economic Cooperation Department of the Japanese Foreign Ministry, told journalists today. Hidiaki Ueda headed the Japanese delegation which ended its visit to Uzbekistan on Wednesday.

In accordance with the programme of its visit, the Japanese delegation held talks and consultations with representatives of Uzbek business circles, heads of ministries and departments on cooperation in the field of the economy and finance, and rendering technical assistance to the republic. The Japanese Government delegation was received by President of Uzbekistan Islam Karimov.

The head of the delegation was very positive about the results of the work carried out during the visit and the possibilities of developing relations between Japan and Uzbekistan. According to Hidiaki Ueda, good contacts have been established during the visit and mutual understanding has been reached on many key issues at government level. A foundation for building a "durable bridge with intensive two-way traffic, to which there are now no obstacles". The delegation proposed a concrete programme specifying technical, economic and humanitarian assistance to Uzbekistan. The programme was welcomed and approved by the republican leadership.

Armenia

New Prime Minister on Government Program

LD1702172693 Moscow Mayak Radio Network in Russian 1353 GMT 17 Feb 93

[Excerpt] [passage omitted] Armenia's newly appointed prime minister held a press conference today with representatives of local and foreign media. He revealed the government's wide-scale program for the republic's socioeconomic development in 1993. Among the government's priority tasks are Nagorno-Karabakh and Armenia's border regions, the food program, power engineering, and the blockade of Armenia and ways to get out of the situation. Answering the question of what Armenia's policy will be in conditions of the withdrawal of the former USSR republics from the ruble zone, the prime minister said that Armenia will remain within the ruble zone.

Government To Promote Economic Reform Policy

OW1702175793 Moscow INTERFAX in English 1432 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Armenia's newly-appointed prime minister, 34-year-old Grant Bagratyan, announced that the new cabinet will promote the policy of economic reform. He stated during a press conference on Wednesday [17 February] that the government's top priority tasks are to supply Nagorno-Karabakh and Armenia's regions bordering on Azerbaijan with all necessary goods, to solve the food problem and to overcome the fuel and energy crisis.

He also promised to give support to large enterprises, to extend loans to them at the expense of emission, to improve the transportation system and to regulate the fiscal and banking system.

For technical and organizational reasons, Armenia is not ready to introduce a currency of its own, he said.

He also announced that on February 15 representatives of Armenia and the World Bank concluded the agreement in Washington on the extension to Armenia of a loan of $13 Mn [million] for a term of 17 years. Armenia is to begin repaying the 7.4% annual interest in three years' time. In London talks are being held with the European Bank for Reconstruction and Development on the extension of a $60 Mn loan for Armenian energy needs. Shortly, negotiations will begin in Brussels on the extension to Armenia of a food credit worth 30 Mn ECU by the European Community.

Bagratyan did not say whether the Armenian nuclear power plant would be put back into operation. He said that the government intended to discuss this issue within the next few days. In preliminary estimates, this project will cost about $100 Mn.

Self-Defense Forces Advance, Liberate Towns

NC1702184293 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 17 Feb 93

[Text] According to the information obtained by ARMENPRES from Nagorno-Karabakh Republic's self-defense forces headquarters, the Armenian self-defense detachments fully liberated Zardakhach in Mardakertskiy Rayon at around 1600 on 17 February. Now battles are continuing to liberate Chapar. The self-defense forces are advancing toward Aterk.

The Armenian Defense Ministry press service informed ARMENPRES that relative calm was prevailing on the Armenian-Azerbaijani borders as of 1730 on 17 February.

[Yerevan Radio Yerevan International Service in Armenian at 1630 GMT on 17 February reports: "The Armenian freedom fighters liberated Khramort in Askeranskiy Rayon on 16 February."]

Gas Flow Resumes 16 Feb; Power Plants Supplied

NC1702182893 Yerevan Radio Yerevan International Service in Armenian 1630 GMT 17 Feb 93

[Text] The gas flow to Armenia resumed on 16 February. The gas supply was interrupted a few days ago following the sabotage of the gas pipeline feeding Armenia by Azerbaijanis in Georgia's Azerbaijani-inhabited Marneulskiy Rayon.

Vladimir Manoyan, head of the government's press service, told AZAT MAMUL [Free Press] NEWS AGENCY that within hours following the resumption of gas flow the pressure in the pipeline rose to 1.9 million cubic meters per day. He added that if the gas inflow increases the population will be supplied with gas starting today. Those enterprises, the reoperation of which had been planned by the Republican Staff for Operational Administration on 6 February, will resume work if enough gas is received.

At 1830 yesterday the volume of incoming gas reached 2.5 million cubic meters. At present all of it is being given to the thermal power plants.

Azerbaijan

Armenia Accused of Plan To Undermine Peace Process

OW1702212993 Moscow INTERFAX in English 1934 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] Azerbaijani Foreign Minister Tofik Gasymov has accused Armenia of planning to undermine the CSCE-sponsored peace process on Nagorno-Karabakh. He was speaking in an interview with INTERFAX following further Armenian advance and seizure of more ground in the enclave. The minister said that "Armenia's practices

of using force to gain unilateral advantages ahead of a new round of CSCE-sponsored peace talks merits condemnation by the international community."

The minister said his country had agreed for talks five times in a row but each time the peace process was derailed because of Armenia's advances on Azeri positions or violations of the Azerbaijani border.

Gasymov expressed concern over a report by the Azerbaijani defence ministry saying that Russian forces and Cossack units were involved in fighting on the Armenian side.

Appeal Issued for Diplomatic Efforts To End War

NC1702214993 Baku Radio Baku Network in Azeri 1700 GMT 17 Feb 93

[Text of joint appeal by Azerbaijan's social and political establishments on the military and political situation in Azerbaijan; date not given—read by announcer]

[Text] Armenia's aggressive war against Azerbaijan, which is aimed at convincing the world to reconsider our republic's internationally recognized borders, has caused extensive death, damage, and deprivation in the two countries. Russia's [word indistinct] policy toward Armenia and Azerbaijan in the war, which is a legacy of imperial rule, has created an opportunity for the sides to establish superiority by turn. The policy is aimed at reinstating the imperial era, which has created difficult tasks for our people, who are trying to maintain the irrevocable nature of our national independence.

Considering our independence, state, and state administration, our people's future and republic's territorial integrity, and our general and national interests; cognizant of our historic responsibilities at such a serious time for our republic; and regardless of our party membership and political standing, we wish to state the following:

Azerbaijan must intensify its diplomatic efforts in the talks held within the CSCE framework to prepare the ground for the two sides to take mutual steps to restore peace in the region and end the war, which is obstructing our state construction work. A multifaceted diplomatic effort must be undertaken to create an objective international view of the true nature of the war and the social and economic situation in the region. Azerbaijan, which has been forced to wage a war, must step up its effort to establish its highly competent national army for the sake of justice and peace. For that purpose, matters related to the establishment of a joint command and serious discipline within the framework of the Armed Forces must be resolved. Measures must also be taken to guarantee the flow of objective information from the battlefronts. Concern for the families of the troops, martyrs, and the missing people must be increased and trust between the army and the people must be strengthened.

We urge all the political and social establishments in Azerbaijan to cooperate for the sake of our republic's independence, peace, security, and prosperity.

President Invited To Attend 19 Feb Assembly Session

NC1702144493 Baku TURAN in English 0929 GMT 17 Feb 93

[Text] Baku 17 Feb (TURAN)—The following conference of the Milli Mejlis was dedicated to the discussion of the political situation in the republic. A number of deputies suggested to invite President of the Republic Abulfaz Elchibey to the conference and to hold closed conference. The chairman of the parliament Isa Kamberov on the instruction of deputies connected with the president and arranged for participation of Abulfaz Elchibey on the express closed conference of the Milli Mejlis which would take place on February 19.

One of the initiators of participation of the president in the work of the Milli Mejlis, Deputy Shadman Guseynov said to the TURAN correspondent that the president's participation is extremely important because deputies want Elchibey himself to call the reasons caused the present crisis situation in the country. [sentence as received]

Karabakh Undecided on Attending 26 Feb Rome Meeting

LD1702173593 Moscow Programma Radio Odin Network in Russian 1200 GMT 17 Feb 93

[Text] The Italian Embassy in Moscow has invited representatives of Nagorno-Karabakh to the next meeting in Rome to settle the Armenian-Azerbaijani conflict, scheduled for 26 February. INTERFAX was told this by (Manzel Sarkisyan), permanent representative of the Nagorno-Karabakh Republic in Armenia. He said that for the time being the authorities of Nagorno-Karabakh have not decided about participating in the Rome meeting.

Nakhichevan Grain, Fuel Supplies Exhausted

OW1702163993 Moscow INTERFAX in English 1432 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] As a result of several months of Armenian blockade, the Nakhichevan Autonomous Republic, which administratively is part of Azerbaijan, has finally exhausted its grain and fuel resources. INTERFAX learned this in an interview with the Azerbaijani president's representative in Nakhichevan, deputy chairman of the Azerbaijani parliament, Afiaddin Dzhalilov.

In his words, Nakhichevan, which is an Azerbaijani enclave on Armenian territory, has frozen its construction works and all of its means of mass transit are at a standstill.

Mr Dzhalilov opined that it could be highly beneficial for Nakhichevan to promote all-round relations with Iran, for, on their basis, life in the autonomy can be brought back to normal.

He said Azerbaijan is now developing a joint project with Iran, planning to build a bridge over the river Aras to connect Nakhichevan with Iran.

In addition, Mr Dzhalilov said, there are plans to deliver food and fuel supplies to Nakhichevan from Azerbaijan through Iranian territory. Iranian construction workers will be taking part in restoring the village of Sadark which was destroyed by artillery fire from Armenian territory.

Georgia

Shevardnadze Says Russia Key to Abkhaz Conflict

MK1702103193 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 8, 21 Feb 93 (Signed to Press 16 Feb 93) p 12

[Interview with State Council Chairman Eduard Shevardnadze by correspondent Akakiy Mikadze; place and date not given: "Resignation Is Nothing New for Me..."]

[Text] [Mikadze] Soon after you became head of the State Council, in an interview for MOSKOVSKIYE NOVOSTI you said that what you most feared was the chaos and anarchy that prevailed in the country at that time. What are you most afraid of today?

[Shevardnadze] The main threat to our state is not war, but economic crisis. After destroying what we used to have and rejecting old ideas, we have basically ended up economically isolated.

[Mikadze] After the elections many people hoped that the old leadership would be replaced by new people. But, on your pressing recommendation, the leading posts went to familiar faces.

[Shevardnadze] At the time, we had no choice. You have to remember the circumstances in which the government was formed. There are a lot of arguments today: Was there a coup in Georgia, or a revolution? That is not the point. The situation was exceptional. Basically, military rule had become established at that time. The renewal process that is now under way is a natural process.

[Mikadze] At one time, you stated that Georgian tanks were sent into Abkhazia to safeguard communications. But recently General Tengiz Kitovani said that we went into Abkhazia in order to eliminate the Chechens there.

[Shevardnadze] You have to remember the position the authorities were in at that time. And my own status was different. Now I am head of state and supreme commander, a man with real power. I do not mean that at that time I was presented with a fait accompli. If we had wanted to eliminate anyone, I would have waited and done it at a more suitable moment. You do not start a war at a time of economic and political crisis. As for statements about eliminating people, these are ill-considered remarks and I cannot answer for them. Nowadays we are getting used to saying terrible things—"we have taken Sukhumi" or some other settlement—as if we were waging war on another state's territory. These are our cities and villages. This war was forced on us.

[Mikadze] Many people were perplexed by your statement: "Political means of settling the Georgian-Abkhaz conflict are exhausted. War is war."

[Shevardnadze] That was said when the joint control commission was in session and there had been no results. The principles of the agreement reached in Moscow 3 September last year were being constantly violated. That agreement was used as cover for achieving self-interested goals. Our units were withdrawn from Gagra. A negative role was played by the grouping of Russian troops stationed in Gudauta and their command.

Much depends on Russia—then as now. The key to resolving the Georgian-Abkhaz conflict is to be found there. We had all but reached agreement on the most important thing, but General Sorokin, commander of the subunits in Gudauta, periodically sends up aircraft to bomb our positions and the civilian population. And this at a time when we had almost reached the home stretch in the talks on signing a large-scale treaty with Russia! Some people in both Georgia and Russia are very much interested in preventing the signing of that agreement. But the generals should understand that what is being decided is the future of relations between states, and politics is not their business.

[Mikadze] Many people today are wondering why Shevardnadze is still surrounded by people with a dubious past.

[Shevardnadze] You have to be realistic. If you are referring to the members of the Military Council who took power into their own hands, the people elected them deputies. For instance, Dzhaba Ioseliani won an overwhelming majority of votes in Tbilisi, and Kitovani won support in a rural area. But a new generation of politicians is on the way, and it is our task to prepare them. The time will come when I too will have to go.

[Mikadze] Your opponents regard your resignation as a matter of time. They explain this by saying that certain circles in Moscow will never forgive you for the accelerated withdrawal of troops from Eastern Europe.

[Shevardnadze] Resignation is nothing new for me. If a more suitable candidate is found, I am ready. But seriously, certain circles not only do not want me, they hate me. These are influential people. They persuaded the Abkhaz separatists that they could split from Georgia and become part of Russia. This is a familiar technique of intrigue. I have first-hand experience of it. Russia has not fully shaken off the imperial disease. Therefore certain forces have the scope for such activity. But when I talk about good-neighborly relations, first and foremost I trust Boris Yeltsin and Russia's democratic forces. I would not have signed the 3 September agreement if I did not trust the president.

[Mikadze] Parliament has yet to approve a defense minister. Do you intend to propose Tengiz Kitovani for this post?

[Shevardnadze] I am thinking about it, I have not decided yet. Today it is very difficult to break the existing patterns.

There is a war on, and corresponding resources are required. He is not a military man, but he understands military affairs. I have not ruled out the possibility that the question of his removal might arise.

[Mikadze] Many people fear a reinforcement of your power. As one deputy observed, you slipped Georgia on like a glove, and nobody else has yet succeeded in fitting it onto so much as one finger.

[Shevardnadze] I would not say anything terrible is happening in parliament. This is a normal relationship between the chairman and parliament. When I raised the question of confidence, there were three votes against and four abstentions. Although I do feel that a degree of opposition is developing.

[Mikadze] The stumbling block in Russian-Georgian relations is still the status of the Russian Army on Georgian territory. Radical political parties are demanding its immediate withdrawal and that it be given the status of an army of occupation. Will you be able to achieve the signing of a large-scale agreement with Russia?

[Shevardnadze] Even if we do demand the immediate withdrawal of the troops, nothing will come of it. Much of what was destroyed must be restored. Even if we do create our own army, the question arises: Where will we get the weapons, spare parts for equipment, and so forth?

[Mikadze] During your absence from Georgia, did the character and mentality of your people change?

[Shevardnadze] Definitely. When I came back I was stunned. I did not recognize my own people. Confrontation had become a normal phenomenon. I had the impression that people hate each other and cannot discuss things like normal people. Today, when representatives of various parties argue in parliament, during the break they chat like friends. For instance, Irakliy Tsereteli demands my resignation, but we meet and we can talk to each other. I have included him in the delegation that is to go to NATO headquarters. I will be happy if he develops as a major political figure. A new political ethos is developing. For two centuries people have dreamed of freedom and independence. All at once it has become possible, but they do not know what it is or what to do with it. They are ready to give their lives for freedom, but they do not know how to build their country.

[Mikadze] After your recent baptism, you became Georgiy. Is that how you should be addressed now?

[Shevardnadze] There have been really fundamental changes in my life. I have had to rethink many things. This is no mere formality. As for my forename, I have not changed it, I am still Eduard. I was happy to take the name of Georgiy, it was my grandfather's name.

[Mikadze] The countries of Eastern Europe, liberated from the former regimes, began to build their statehood by publishing the state security services' files. Are you prepared to do the same?

[Shevardnadze] I do not support that step. When I was republic minister of internal affairs I looked into what happened in 1937, and I read things that would make your hair stand on end. There were denunciations signed by people I had revered. It was the times; those were the fruits of a totalitarian state. We have finished with that regime, let us build a new state.

Russia's Shakhray, Abdulatipov Arrive in Tbilisi

LD1802093993 Moscow ITAR-TASS in English 0835 GMT 18 Feb 93

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi February 18 TASS—Russian Vice Premier Sergey Shakhray and Chairman of the Russian Parliament Nationalities Chamber Ramazan Abdulatipov on Thursday [18 February] arrived in Tbilisi for talks with the Georgian leaders and members of parliament. According to well-informed sources, close to government circles of Georgia, the talks covering a wide range of Russian-Georgian issues will focus on the situation in Abkhazia and South Ossetia with due account taken of the North-Caucasian influence on them.

The programme of the one-day visit is packed with meetings with Georgian leaders. At 11:30 Moscow time, Shakhray and Abdulatipov meet Georgian Prime Minister Tengiz Sigua and vice premier, Minister of Foreign Affairs Aleksandr Chikvaidze and Defence Minister Tengiz Kitovani. Then the guests from Moscow will meet Parliament Speaker Vakhtang Goguadze and chairmen of several standing commissions.

The meeting with President Eduard Shevardnadze will take place at 16:00.

Shakhray and Abdulatipov will leave for Moscow at 20:00 hours on Thursday.

CPC Welcomes Move To Settle Abkhaz Conflict

LD1702152893 Moscow ITAR-TASS in English 1428 GMT 17 Feb 93

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow February 17 TASS—The Caucasian Peoples' Confederation (CPC) positively appraises initiatives made by the Russian president, parliament and the government as well as the leaders of the north Caucasian republics, the Krasnodar and Stavropol territories to

settle the Abkhaz-Georgian conflict peacefully, says a resolution adopted by the CPC Presidium at its meeting in Pitsunda on February 11.

The resolution received by ITAR-TASS on Wednesday [17 February] says that the Georgian leadership, using the pretext of talks, tries to settle Abkhazia's problems without its participation, seeking the withdrawal of Russian troops from the Abkhaz territory.

The document notes that Russian troops in Abkhazia are on a peace-making mission, and the question on their status and deployment should be settled through a mutual agreement between Russia and Abkhazia.

The CPC supports measures to give humanitarian aid to Abkhazia by the Russian Federation, north Caucasian republics, territories and regions in Russia's south.

The war in Abkhazia is also a destabilising factor in the northern Caucasus. The confederation calls on the leaders of north Caucasian republics to prod the Russian and Georgian governments to withdraw Georgian troops from Abkhazia unconditionally and to achieve a political settlement of the conflict.

"For its part, the confederation, taking into account Georgia's latest calls for continuing the war to the victorious end as well as Georgia's military buildup in Abkhazia, will take all the necessary measures to protect the Abkhaz people from genocide," the resolution stresses.

Tskhinvali Citizens Appeal to Shevardnadze for Protection

LD1702194793 Tbilisi CONTACT INFORMATION AGENCY in Russian 1609 GMT 17 Feb 93

[Excerpt] The Georgian population of the Tskhinvali region has adopted an appeal addressed to E. Shevardnadze, chairman of the parliament of the Republic of Georgia. It states in particular: The general public is well aware that since peacekeeping forces were brought into the Tskhinvali region, the bloody conflict between the two peoples has stopped. But it can be stated with certainty that the Ossetian side's present silence is only illusory. They are stepping up efforts to arm themselves and are waiting for the moment to once again start military action against Georgia. Their temporary inactivity has been caused by the conflict that has arisen between Ossetia and Ingushetia. And it is also because of the obstruction blocking many kilometers of the road between Tskhinvali and Vladikavkaz.

The appeal goes on to state: Because of the situation that has arisen and to avoid the expected conflict, the Georgian population of the Tskhinvali region demands the establishment of joint forces of armed units under the command of the government to control the situation and protect the civilian population from possible acts of aggression perpetrated by extremists. [passage omitted]

Shevardnadze's Visit To Armenia Postponed

OW1702200993 Moscow INTERFAX in English 1933 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] The visit of Georgia's official delegation headed by Eduard Shevardnadze to Yerevan which was scheduled for February 18 has been postponed; the visit will probably take place next week.

Shevardnadze's press service reported to INTERFAX that a group of Georgian experts will head for Yerevan on Monday. Together with the Armenian representatives this group is to prepare more than 20 documents regulating mutual relations between two states in the sphere of policy, economy, and culture for signing.

Estonia

Delegate Reports 'No Progress' in Talks With Russia

OW1702195093 Moscow BALTFAX in English 1940 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] The working groups for humanitarian-legal issues at the Russian-Estonian talks met in Moscow on Wednesday [17 February].

As head of the Estonian Foreign Ministry's judicial department Mart Piiskop told BF [BALTFAX], the groups discussed questions of citizenship, cultural heritage and illegal persons. Piiskop said that the two sides have "different positions" toward [the] citizenship problem, that is why no progress has been made.

Meanwhile, according to Estonian representatives, the two sides narrowed their positions on the preservation and return of the national cultural heritage.

The issues discussed by the working groups will be put on the agenda of the next round of bilateral talks between Russia and Estonia to be held in Lohusalu (Estonia) from March 2 to 4.

Opposition Calls For Parliament Session on Defense

LD1702175093 Tallinn Radio Tallinn Network in Estonian 1500 GMT 17 Feb 93

[Text] The parliament [Riigikogu] opposition has proposed that an extraordinary session be called on 7 March to discuss whether the government's defense policy is at variance with Estonian national interests. One-third of the Riigikogu members have signed a proposal to this end. To call an extraordinary session support of one-fifth of the deputies is sufficient.

According to Center faction Chairman Arvo Junti, the government's defense policy should be acknowledged at this extraordinary session as being at variance with national interests. The opposition plans to propose to the prime minister that a request be made to the president to dismiss the defense minister and that the State Control conduct an audit at the Ministry of Defense.

The extraordinary session plans to demand that permits allowing Russian soldiers to be brought into Estonia in 1993 be cancelled and any arriving soldiers be sent back within three days. The opposition demands that the government determine the numbers of the Russian Army contingent located in Estonia, that the unlawful property deals concluded with the foreign army be published, and that information be provided on a monthly basis about the progress of the Estonian-Russian interstate talks.

Latvia

Foreign Minister on Russian Complaints on Human Rights

LD1802011993 Riga Radio Riga Network in Latvian 2100 GMT 17 Feb 93

[Text] Latvian Foreign Affairs Minister Georg Andreyev returned from Geneva on Wednesday evening [17 February]. In Geneva, he participated in a plenary session of the Human Rights Commission of the United Nations. After his return, the minister reported on the results of the trip:

[Begin Andreyev recording] We were called to Geneva by Sandra Kalniete to assist. It was not envisaged at all that we would do this because a regular session of the UN Human Rights Commission was being held. Suddenly, a signal came. Contrary to a resolution adopted last year in New York at the United Nations in the third committee, there was a complaint by Russia on mass-scale violations of human rights in the Baltics, chiefly in Latvia and Estonia. A resolution was adopted last year for the issue to be taken off the agenda. You see, there was no direct proof from these high commissions of such violations.

Also in the joint resolution that was adopted—not just on violations but on the human rights situation in those states—the final item, that this question would have to be examined once more at a special session in Geneva, was specifically removed. A consensus was achieved on this resolution, which is so very important in the UN structure. It also appeared that all the sides agreed—including Russia—that there must be some kind of order, some kind of gentlemen's word of honor that this question, especially on the Baltic states and chiefly on Estonia and Latvia, would also not be examined in Geneva.

Well, it turned out that Russia again prepared a new draft resolution. The same issues are there again, strengthening them even more and emphasizing some aspects that demand for this question to be examined again. It once more demands that the question be included on the agenda of the next General Assembly, and so on.

Unfortunately, there are forces in Russia that want to make use of this situation in order to resolve it by brutal and unacceptable methods. So then, you understand, the kind of an apology to those who (?execute) it, (?to those) who are formally in power now. They are, as it were, apologizing a little to that society because they feel compelled to do this. That was (?earlier). We already knew this a long time ago, but at least it had never appeared in such an announcement

We told the Russians clearly: You are only strengthening for us some kind of opposition, with your continuous complaining of such a kind—both the extreme right-wing and the left-wing opposition. You are not doing any

good for those people for whom you are taking a stand. Their situation here can only become worse because of a continuous and unfounded campaign. [end recording]

Conference on Coalition of Leftist, Centrist Forces Held

OW1702133993 Moscow BALTFAX in English 1219 GMT 17 Feb 93

[Following item transmitted via KYODO]

[Text] On the initiative of the Foundation for the Support of Latvia headed by the former foreign minister, Janis Jurkan, in the evening of 16 February the first consultation on the creation of a large leftist-centrist coalition in the republic, which could make up a single list of candidates for the parliamentary elections scheduled for summer this year, was held.

A Baltfax correspondent was told by the press secretary to the Foundation, Deputy of the Supreme Council, Aleksey Grigoryev, that those interested in the coalition include the Union of Agriculturists, Union of Industrialists, part of the Democratic Labor party of Latvia, Union for the Progress of the Youth of Latvia and the Democratic Center party.

According to Grigoryev all the above mentioned organizations are characterized as having a "democratic orientation and opposed to political and nationalist extremism."

At the same time, the press secretary to the foundation stressed, to speak of the creation of a single coalition will be possible only when all the organizations overcome differences concerning relations towards the program of the Foundation for the Support of Latvia.

A major difference is caused by the relation of the Foundation to the question of citizenship for all permanent residents of Latvia who have lived in the republic for not less than 5 years and who know the Latvian language. Nevertheless the parties on Tuesday agreed to create a coordinating committee to elaborate their joint pre-election programs.

Lithuania

President Brazauskas Outlines Policy Priorities

PM1802105193 Moscow IZVESTIYA in Russian 17 Feb 93 pp 1, 2

[Nikolay Lashkevich report on interview with Lithuanian President-Elect Algirdas Brazauskas; place and date not given: "Communism is Finished in Lithuania. Vilnius Favors Permanent Dialogue with Russia"]

[Text] For the first time in its history Lithuania has elected a president through a nationwide, secret, and direct ballot. Immediately after the election IZVESTIYA's correspondent asked Algirdas Brazauskas to talk about the policy he will pursue as president and what he intends to do to solve the most important political, economic, and social problems, including those in the sphere of Lithuanian-Russian relations.

Concerning Economic Reform

In this sphere one should first of all quit the politicized path of reform implementation, in which politics actively intruded into economics and in which privatization became an end in itself. In other words, in the past two years Lithuania has been heading toward a better life by means of so-called "great leap forward" reforms. This has resulted in the decline of living standards and rate of production, unemployment, the impoverishment of some and enrichment of others (certainly not as a result of intelligence and talent), and decay in agriculture.

How is one to remove the consequences of the ill-judged policy of reforms and start working in earnest? All transformations must take place on the basis of competence, professionalism, and common sense, and not on the basis of mere political postulates, not to mention ambitions. The Lithuanian reform is founded on consistent privatization, the introduction of a national currency—the litas, the effective use of credits, freedom for active foreign investments, production modernization, and new technology. But, I stress, economic reform will no longer be conducted at the expense of people's well-being. We can do without experiments of that kind. Lithuania will follow the path of the market economy, which contains powerful social mechanisms for protecting people.

Concerning Social Policy

The problem with the previous Lithuanian leadership, in my view, was that it paid little attention to people's needs. I will make every possible effort to help the socially deprived sectors of the population, so that policy is generally geared to human beings. At the moment pensions in Lithuania are only one-half of average pay. Conditions must immediately be created enabling pensioners to earn as much as they can, while the rest must be provided with a pension that outstrips the rate of inflation. The freezing of pay, as implemented by the last government, is not a lifeline, as some might suggest, and certainly brings us no closer to the market. In that form it cannot stabilize the economy. People's incomes are falling sharply, and people's purchasing power along with it. Prices are rising. A process of impoverishment is under way. We will adjust prices and people's incomes, not, of course, by directive, but by using legislative, market mechanisms.

Concerning the Withdrawal of Russian Forces

It was in the previous parliament that the Lithuanian Democratic Labor Party unanimously advocated the withdrawal of Russian forces from Lithuania. I continue to insist that subunits must be withdrawn on schedule in line with the accords that were concluded in Moscow last fall. Let the talk about secret agreements with Russia on

this subject or about concessions remain on the conscience of those who circulate such rumors. My position as president will remain the same—the forces must leave. The withdrawal is to be completed by 31 August this year, a date that is acceptable to both sides, and all that remains is for the promise to be kept.

As for the introduction of new contingents of Russian forces into Lithuania, which one learned of not so long ago, our position is clear: Russia can send only the agreed number of military specialists to back up the withdrawal of forces, with the Lithuanian authorities' permission. Any other approach is unacceptable.

Concerning Relations Between Lithuania and Russia

In foreign policy Lithuania will conduct a balanced eastern and western policy. This means that we must not give priority to any country. But, of course, relations with Russia are very important to us. In this connection, my first practical steps as Lithuanian president will be to appoint a new Lithuanian ambassador to Moscow, partially review the state delegation at the talks with Russia, and arrange contacts with the Russian leadership. We need to get the talks process moving and conduct it on a permanent basis. This will make it possible to organize a normal, good-neighborly dialogue without bringing in political elements, which used to hinder discussion, in my view. There are things we must discuss, above all an improvement in economic relations.

Concerning the Rights of Russians in Lithuania

Lithuania has granted every right to the Russians living in it. We intend to continue to adhere strictly to international norms in the sphere of ethnic minorities' rights and also to our laws, in particular the law on citizenship, which gives anyone who came to the republic before the law was adopted and even later the right to acquire Lithuanian citizenship. It is no accident that this May Lithuania will be admitted to the Council of Europe as a country in which ethnic minorities' rights are observed. Of course, there are many problems in this sphere as well. We are particularly worried about our bureaucracy, which sometimes gives people of different nationalities grounds for voicing grievances.

Concerning the Treatment of the Communist Past

I was secretary of the Lithuanian Communist Party Central Committee for more than 10 years, and I was probably better acquainted than anyone with the Communist Party's work methods. Excessive ideologization penetrated every aspect of the party's activities. Fortunately, I was far removed from this: I performed more of an economic function all those years. I came into the political kitchen during the "Sajudis" period, becoming a politician in the true sense of the word. The orthodox way of thinking has always been anathema to me. The party contained a variety of types, people whose political views differed sharply. Ultimately this was reflected in the division that occurred three years ago, when two wings emerged in the party. As we can see, the part of the Communist Party that shared my social-reformist views swung it onto the path of socialism and social democracy. The past is over and done with. There can be no going back. There are no Communists in Lithuania. We are a party with a social democratic orientation.

Concerning Press Freedom

There are 652 periodicals and 17 radio and 37 television studios in Lithuania at the moment. Of course, many political parties and movements will be tempted to gain control of a particular media organ. Some have succumbed, some have not. But most Lithuanian journalists firmly adhere to the principles of freedom of speech. As president, I will do my utmost to make sure that newspapers, radio, and television are no one's organ, as they used to say. Only then will they be objective sources of information. Certainly, as president, I am totally committed to this. I need accurate, undistorted information—even if it is outspoken—to give me correct political pointers. Newspaper independence is the very foundation of the state's free democratic development and I will try to consistently uphold the idea of an independent press.